NATIONAL MUNICIPAL REVIEW

VOL. XVI, No. 8 AUGUST, 1927 TOTAL No. 134

EDITORIAL COMMENT

Indianapolis Adopts City Manager Plan

The citizens of Indianapolis adopted the city manager plan on June 21 by a vote of 53,912 for the plan and 9,954 against it. The plan will go into effect on January 1, 1930, since recent state legislation, evidently in anticipation of an affirmative vote, provides that all city officials shall serve out their terms. Advocates for the plan will attempt to have a special act passed which will permit the new government to be set up at an earlier date.

Indianapolis, with a population in the neighborhood of 400,000, is the fifth large city to adopt the manager plan. The others are Cleveland, Cincinnati, Kansas City, and Rochester.

While the manager campaign was successful in Indianapolis, it recently failed in both Atlanta, Georgia, and Charleston, South Carolina. In neither of these cities, however, was it waged with the same determined effort that it was in Indianapolis.

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International Congress Held in Paris

The Third International Congress of Administrative Sciences was held in Paris on June 21–25. The first three days were given to conferences and discussions at the University of Paris and the last two days to receptions and excursions about the city of Paris. Five conferences were conducted on various administrative topics, among them being communal administration, intermediate administrations between the state and the commune, the central administrations, public functions and perfecting of administrative methods. Each conference was under the direction of some notable French administrator or professor.

Delegates were present at the Congress from nearly all the European countries. Among those present from the United States were John A. Fairlie, Leonard D. White, Lindsay Rogers, Luther Gulick and H. W. Dodds.

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Seattle's Woman Mayor

Bertha Knight Landes, the first woman mayor of Seattle, has just completed her first year in office. She is reported already to have effected greater economy in civic operations than her predecessors. Within three months she increased the receipts of the water department by $30,000, producing water at two cents a ton delivered. She has procured an eight-year extension of time on the $15,000,000 street railway bonds. Through her efforts economies of $146,000 have been effected in the

municipal railway system, despite the fact that it has been a nonpaying enterprise for fifteen years. Municipal ownership seems to be Seattle's big problem, since the city is deeply involved in transportation, light and water enterprises. She is also credited with having the city park department finish the year without a deficit for the first time in several years.

Mrs. Landes came from New England and received her college education at the University of Indiana. She is the wife of Professor Henry Landes, dean of the college of science of the University of Washington and has lived in Seattle for the past thirty years. She was a member of the city council prior to her election as mayor.

Apropos this, we have been informed that Mrs. Mabel Jensen, a young woman of Berkeley, Calif., has been appointed manager of that city. Mrs. Jensen succeeds John N. Edy, who has been manager for some time. Berkeley is a thriving city of about 50,000 population, sufficiently large to test the managing ability of Mrs. Jensen. We hope she succeeds.

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What Is Wrong With Our State Legislatures?

The Legislative Committee of the Citizens' League of Cleveland has prepared a report on the Ohio legislature, which has recently adjourned after a four months' session. This report presents an analysis of legislative procedure, discusses the amount of work done, touches upon some much needed constitutional changes, and points out some of the fundamental sources of weakness in the present type of legislative body. The committee states it was the consensus of opinion of those who watched the recent session that the legislature was seriously lacking in vigorous and forceful leadership and was unable to develop a legislative program. For example, in the matter of tax legislation, the majority party members met in caucus not less than twelve times and nearly every caucus reversed itself on the tax program agreed upon at the preceding caucus.

In the opinion of the committee, the general breakdown in the legislative procedure can be traced to four major causes as follows:

1. The failure of political parties to meet their obligations toward their party members in both houses.
2. The illogical and unworkable committee system.
3. The defects in the procedure and mechanics of legislation.
4. The disposition to barter and trade on bills.

The committee declares that legislative leaders need party support. It asserts that if political parties expect to command the respect and support of citizens, and if they hope to maintain the position of influence which they claim for themselves under a two party system, then they must have a policy and program and the courage to assume the responsibilities of a militant majority and a critical minority—responsibilities which alone will insure the success of the two party system of government.

It is recommended that the number of legislative committees be reduced. At the recent session there were 35 standing committees in the senate and 36 in the house. Many of these duplicate either in membership or scope of work. It is suggested that there be not more than nine or twelve committees in each house and that these be served by trained and experienced secretaries during the session. The present committees are criticised on the ground that they practically legislate for the whole body under the present procedure. The rules com-

mittee is styled "all-powerful," "undemocratic and unrepresentative," and it is suggested that some means be found to reduce its authority.

Certain changes in the legislative procedure are recommended. One is the early introduction of all bills; another is the installation of an electric roll call system; a third is the improvement of the printing and proof reading of bills.

The committee asserts that the trading on bills was unusually prevalent at the recent session. Many bills were enacted not because they had any merit in themselves but because of the bartering strength of their promoters. The log rolling tactics, the committee maintains, were accentuated by the conflict between the rural and urban members of the legislature. The committee is certain there is too much legislation at the present time and suggests a recodification of the state laws to eliminate all obsolete and unenforceable statutes.

In speaking of constitutional changes, the committee suggests that the question of establishing a single house system be given serious thought by the people before the next constitutional convention is called in 1932.

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See Ourselves As Others See Us

So many readers of the REVIEW are identified with the governmental research movement in one capacity or another that we reprint the following excerpt from a review of the *Proceedings of the Governmental Research Conference, Pittsburg, 1925*, published in the Financial Circular of the Institute of Municipal Treasurers and Accountants, printed in London.

It is commonly supposed in this country that we have little to learn in the art of public administration from America. In so far as American ideas on local government in particular have appealed to British minds, they have been productive of keen controversy rather than general acceptance. For instance, the idea of a city manager on American lines is in many ways attractive; it is an idea not lightly dismissed by the "man in the street," but mistrusted by members of local government bodies, not to mention the various officials who rightly point out that the success of the system may depend more upon the individual than upon the principle of the system of concentrated control in one official.

It may well be that in Great Britain we have had so much more experience of local government, and we have entrusted to local councils so many more duties, that as compared with America we find it difficult to restrain ourselves from regarding ourselves as experts and Americans as novices.

This is a dangerous doctrine. It may be that our field of local government is both wider in scope and more truly democratic in character, and it is true that many of our local councils are rich in history and ripe in experience, but we are rather conservative in our conceptions of administrative and executive machinery, and not easily persuaded that the freshness of mind and the disposition to express it, so clearly discernible in American local government, is good medicine for us.

Nothing could be more refreshing to the progressive mind, however, than a perusal of the volume now before us recording the proceedings of the Governmental Research Conference at Pittsburg in November, 1925. We must read the volume with a mind free from prejudice, and not be disconcerted either by reformed spelling or by colloquial language which would shock an alderman. After all, "thru" conveys the same idea to the mind as "through" or "throo" but not "threw." We do not usually apply to a paper on such a sober subject as local government the title "Over the goal line with municipal research." These are delightful delicacies to us, but signify "pep" or "punch" or whatever is the appropriate word in American circles.

Yet the work of this conference is an object lesson which cannot fail to exert its influence not only on those who attended, but upon those who are privileged to consider this record of the activities of the organization by which the conference was instituted.

We would say without hesitation that no one interested in the administrative sciences could fail to profit from calm consideration of the paper entitled "How to prepare a ten year financial programme" which is a contrast with the general British practice of budgeting from year to year and not much foresight beyond twelve months ahead.

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Regulation of Interstate Motor Transportation

No more important question of administration is before the country today than that of the regulation of motor trucks and motor buses. The great increase in these means of public transportation has led a majority of the states during the past decade to place common carriers operating on public highways under the control of state commissions, usually the existing public service or railroad commissions, with extensive power of regulation and almost uniformly exercising the right to grant or withhold certificates of public convenience and necessity. In many instances this legislation has been applied to restrict the use of the highways by common carriers and to regulate competition by private carriers as well as by competitive public carriers. The invalidity of this legislation so far as it affects the freedom of interstate commerce was established by the Supreme Court in 1925 in *Michigan Public Utilities Commission* v. *Duke; Buck* v. *Kuykendall;* and *Bush & Sons* v. *Maloy.* In these decisions the court reaffirmed the exclusiveness of the federal jurisdiction over interstate commerce and swept overboard a long line of decisions in conflict therewith.

As the inability of our cities adequately to deal with the regulation of inter-rural traffic led to the centralization of control in state commissions to the partial or complete exclusion of local legislation, so the breaking down of the state control over commercial traffic must lead in the near future to federal regulation. The Cummins bill introduced in the senate in December, 1925, a general act to be administered by the various state commissions with a right of appeal to the Interstate Commerce Commission and sponsored by the National Association of Railroad and Utilities Commissions, failed of passage in the last congress. A similar bill, advocated as an emergency measure, giving the joint commissions of the states in interest power to regulate the traffic of common carriers through the New York-New Jersey vehicular tunnel and over the new Philadelphia-Camden bridge, passed the senate but failed to pass the house. No doubt both of these bills will be reintroduced in December and their consideration will have a prominent place in the coming session. In the meantime, the Interstate Commerce Commission is making an exhaustive study of this question to the end of making appropriate recommendations to congress.

So important has this question become and so intimately is it related to the whole subject of local regulation of traffic that we feel sure our readers will be interested in the article by Professor Kneier published in this issue on the existing legal phases of the subject.

C. W. T.

WASHINGTON'S DEFAULTED BONDS NOT TO BE REDEEMED

BY H. B. BICKNER

Washington Defaulted Bondholders Association

In Washington local improvement districts are in default on their bond issues to the amount of about $4,000,000, but due to the veto of Governor Hartley municipalities, which in truth issued the bonds, are not able to redeem them and thus restore their credit. How payment is escaped through arranged tax sales. :: :: :: :: :: :: ::

WITH seventy-four towns having local improvement district bonds actually or potentially in default, the situation in the State of Washington is said to be the worst in the history of the United States in the past twenty-five years. The Investment Bankers Association of America has recently compiled a list showing 56 towns in this northwest state with bonds already in default and 18 which are behind or slow and which are considered potentially in default. The amount totals approximately $4,000,000.

Ever since the fall of 1922, when the supreme court of the state of Washington decreed that the assessment liens securing bonds were wiped out through the sale of the property for general taxes, efforts have been made by bankers, bondholders, investment bankers, contractors and others to have the legislature correct the situation. The nearest to accomplishment was at the 1927 session when the Washington legislators passed a number of bills aimed to clear up the defaults, but Governor Roland H. Hartley vetoed all measures which would have enabled the various towns to redeem the defaulted bonds. However, other bills which were aimed to strengthen the bonds to be issued in the future were passed and subsequently signed by the governor and many city officials seem to be of the opinion that this will strengthen the market for improvement district bonds.

IS THERE A MORAL OBLIGATION TO PAY?

The investor, however, takes a different attitude, especially the one who owns a defaulted bond. It is his opinion that a repudiator or defaulter has no right to further credit until the defaults are remedied and that once stung he does not return for a second stinging in the same place.

Although the towns have the improvements—and they made them themselves and their city officials signed and issued the bonds—the principal argument advanced against the payment of the bonds is that they are in the hands of speculators. However, an investigation made by the Portland *Oregonian* a year ago in an exposé of the Washington situation failed to disclose a single speculator holding bonds and seeking legislation.

The bondholders contend that, even if all the bonds are owned by speculators, this argument has nothing to do with the payment of the bonds or the justness of the cause. They maintain that the cities have their money and it should be returned to them dollar for dollar with interest.

Bondholders further contend that, if

the principle of protecting the bonds to be issued in future is equitable, the same principle is applicable to bonds of the past, maintaining that the legislature has recognized this principle as to future bonds; therefore, the people of Washington should recognize and pay their similar debts of the past.

The position of many of the officials is that the bonds were simply a lien upon the property improved and were speculative at the time of issuance and that the bond purchaser should have taken cognizance of this at the time of purchase. On the other hand, the bondholders feel that this, if true, is a grave indictment against the cities of Washington and their respective officials, maintaining that the whole financial structure of our government is shaken when its subdivisions engage in the business of issuing speculative securities for corporate or any other purpose, allowing these securities to find their way into the hands of innocent holders for value.

EVASION THROUGH TAX SALES

Owing to the laxity of the laws which carry optional instead of mandatory provisions, many property owners have found it convenient to evade payment of their assessments by allowing the county to take the property for general taxes and subsequently buying it back from the county at auction for a few cents on the dollar. There have been many cases where property valued at several hundred dollars with assessments of a like amount have been repurchased from the county by the original owner — or in the name of a dummy — for as low as five dollars. This means, of course, that the owner has been able to get his property back improved with sewers, pavements, walks, etc. without paying a nickel for them, leaving the bondholder holding an empty sack.

Aware that citizens of some of their cities have tried to put this plan into effect, one or two counties in Washington have arbitrarily fixed a value under which the property cannot be sold and this has been the means of stopping some of the abuses. However, this has not worked to the advantage of the bondholder because once the property has been taken over by the county, the lien of the assessment is wiped out and he is without recourse.

MUNICIPALITY IS REALLY INVOLVED —WHO PAYS?

Improvements in Washington towns are made in two ways—either by petition of the property owner to the city council or by the city council directly by resolution. If, in the first instance, the majority of the property owners want the improvement, the city steps in and makes it in its own name and not in the name of individual owners. The duly elected mayor and city council hire the engineers, the contractors, and it is under their supervision that the work is done and in their names that the bonds are issued. They either turn them over to the contractor or sell them directly.

While the loss to the bondholder is considered large, the greatest damage is accruing to the state itself because of the destruction of the market for improvement bonds. Many of the opponents to legislation say that the defaults have had no bearing on the credit situation of the state or its various subdivisions, but the penalty which has attached to the property owner as a result of these defaults is said to be larger annually in increased costs and interest rates than the aggregate of the bonds in default. The president of the state Chamber of Commerce in a public address declared that the defaults were costing the property

owners from 25 per cent to 50 per cent more in improvements. The contrast between Oregon and Washington is very marked. A small town in Oregon, where the bonds are backed by the faith and credit of the city, sell to yield investors around 4¾ per cent or, in other words, the property owners in the town borrow the money for public improvements at approximately 4¾ per cent. Compare this with a town of similar size in Washington. The bonds there carry a 7 per cent coupon; the contractor, to find a market for them, has to figure a little discount and, in recent years, as the story of the defaults has developed, the percentage in discounts has greatly increased. Statements have been made that contractors have to absorb all the way from 15 per cent to 40 per cent.

It can, therefore, be seen that it is the property owners—the tax payers—themselves who are paying the penalty and while the loss to a bondholder may be considered as immediate, the cost or loss or penalty, or whatever you wish to call it, to the property owner—the tax payer—is continuing and those who have given the matter study contend that this condition will prevail in Washington as long as the defaulted bonds are outstanding and no effort is made to redeem them.

There is much to be said—and much has been said—on both sides, but after the arguments are closed, the fact remains that there is a moral obligation, if not a legal one, upon the cities and towns of Washington to pay these bonds because the money secured from the bondholders was taken in good faith and used for making public improvements which the citizens of the various communities are using. If the innocent bondholder hadn't furnished the money to make the improvements, the many towns in Washington which boast of their miles of paved streets and other modern improvements would still be villages and mud holes. The bondholders contend that if a city in Washington is to accept responsibility for bonds to be issued in the future, then there is a responsibility to protect the past purchasers of bonds. However, Governor Hartley has been quoted as saying that the doctrine of *caveat emptor* is applicable to all bonds issued for improvement purposes heretofore. To quote from the Governor's message:

> They should buy these bonds at their own risk . . .

Various financial writers have refused to acknowledge the applicability of this doctrine, maintaining that the business world has long abolished this theory of operating and the last group in the civilized world which should be engaged in the business of selling spurious securities, are the sub-divisions of our government. The culpability or the responsibility for issuing the bonds in Washington is at the doors of the cities themselves and, in the opinion of the bondholders, they should be compelled by the most drastic mandatory legislation to pay in full.

ENGLISH HOSPITALS AS MUNICIPAL GROUPS

BY ANDRUE H. BERDING
Brasenose College, Oxford University

A scheme for the better coördination of British hospital facilities, public and private. :: :: :: :: :: :: :: ::

SOMETHING new in municipal control of hospitals, which will undoubtedly be of interest to American cities, is being planned in London, England, by Neville Chamberlain, minister of health. His plan is to consolidate all hospitals, privately or municipally operated, into one bureau directly within the purview of the ministry of health.

Mr. Chamberlain has sought and received the suggestions of various hospital executives in all parts of the British Isles. From the tone of the replies received from heads of these institutions there seems little doubt but that the minister's plans will shortly begin to materialize. Mr. Chamberlain broached his plan in a recent speech.

"Might not the private hospitals," he said, "in return for a certain subordination of their complete and absolute freedom to do what they liked, receive some further assistance than that which they get at present? Under a system of this kind, this central authority, upon which the private hospitals would be represented, would leave to each individual unit the widest possible freedom in the administration and conduct of its work."

GOVERNMENT AID AVAILABLE UNDER CONSOLIDATION

Private hospitals at present, the minister of health stated, have a need for 10,000 more beds. This need was emphasized in a recent report of the Voluntary (private) Hospitals Commission. This condition, the minister said, could better be met under consolidation, when government aid would become available.

"In the course of my work at the ministry of health," Mr. Chamberlain said, "I have each year been more and more impressed by the urgent need of looking at the hospital problem in the local areas as a whole and in close relation to the general health problem of these local areas. As matters now stand, it is common knowledge that there exist many instances of overlapping, duplication of staff, and waste of money, while at the same time beds are standing empty and patients are unable to obtain treatment without long delays. What is necessary to overcome these defects is a closer coördination of the institutions existing in any given area by some body having general powers of guidance over hospital policy in that area."

Mr. Chamberlain proposes that the hospitals, in return for representation on the central body, which would lay down the main lines of policy as to the use of the various institutions, should receive financial assistance in annual sums over a definite number of years. The minister's plan seems to call for grants from the local taxes.

Enthusiastic response has met Mr. Chamberlain's proposals. But this response has come in two widely differ-

ent forms. Heads of hospitals and of hospital associations on the one hand have hastened to express their appreciation of the minister's plan, and have offered suggestions for bringing the consolidation about. Some of these suggestions will no doubt be incorporated into Mr. Chamberlain's general scheme. On the other hand, the minister of health has been accused of giving voice to socialistic ideas in promoting the taking of hospitals from private control. Mr. Chamberlain has denied this tendency.

"It seems to be implied," he said, "that it is my aim and the continuing policy of the ministry of health to secure the subordination of hospitals and of the medical profession to the ministry, in other words to secure what is frequently called a state medical service. I think it right to state that my policy is wholly opposed to the creation of a state medical service."

The response from executives of London and other British hospitals has been whole-heartedly in favor of the Chamberlain plan. Sir Arthur Stanley, president of the British Hospitals Association, announcing his concurrence in Mr. Chamberlain's ideas, has suggested that the plan used during the war be followed in coördinating the hospitals now. During the war the private or voluntary hospitals were grouped around one large distributing hospital. The hospital units were left to manage their own affairs to a considerable extent, but the "mother hospital" made the best use of their accommodations.

"A scheme of coördination can certainly be prepared by the hospitals," he said, "and I am sure the hospitals will fall in with a scheme produced by the minister of health. I believe much benefit might arise from organizing the hospitals of a district."

LOSS THROUGH LACK OF COÖRDINATION

Lord Knutsford, chairman of the London Hospital, has advanced an example of the inefficiency which noncoördination brings about. There are, he said, 200 beds empty at the Whitechapel Infirmary, none of which can be used by patients of the London Hospital.

Lord Knutsford made the suggestion that the ministry of health should give large grants of money to the proposed "mother hospitals." The minister, he said, should be given the right to nominate to the management of these "mother hospitals" representatives of the state and district served. As one suggestion toward financing the new project he proposed that every man should be made to pay to the state a sum of approximately 50 shillings before he reached the age of 25, to meet the hospital expenses. He suggested, in addition, that a sickness tax should be levied on all, that patients in the hospitals, except the poor, should be made to pay on a fixed scale, and that schemes of hospital savings associations should be created and put into working.

Sir Gilbert Barling, chairman of the Birmingham Hospitals Council, suggested that the coördinating body should be a part of the city council. T. F. Braime, chairman of the Leeds Infirmary Board, and Lord Stanmore, treasurer of St. Bartholomew's Hospital, London, have likewise expressed their support to the consolidation plan.

Mr. Braime, of Leeds, was somewhat pessimistic about the present condition of British private hospitals.

"I can only emphasize my view," he said, "and if Leeds, and I suppose other places, does not wake up and support local hospitals better than has

been the case, there is nothing for it but the state to intervene, or the municipality."

Mr. Chamberlain likewise proposes that infirmaries and sanatoriums and infectious disease hospitals be included in the consolidation.

"Account must be taken of the so-called infirmaries now in the hands of boards of guardians," he said. "These are in many places really general hospitals, with a staff and an equipment which is comparable with that of a first-class private hospital, and to an increasing degree these infirmaries are being used by classes which can certainly not be described as destitute.

"It is a fact that there is a number of sanatoria and infectious disease hospitals in the hands of the county and county borough councils and the sanitary authorities, as well as the institutions in the hands of the guardians, which may very possibly pass under the control of the county and county borough councils."

The minister of health admits that there will be many difficulties to face before the amalgamation is finally consummated. "The task of adjustment," he said, "is one of great delicacy and difficulty, requiring long and careful study. But I look forward with great confidence to the possibility of progress in the near future."

The only critics who have come forward to oppose Neville Chamberlain's plans fear that he may be tending toward socialism because two of the ministers of health who preceded him became socialists.

CHICAGO'S DISPOSITION OF STREET TRAFFIC VIOLATIONS

BY GRANVYL G. HULSE

Albert Russel Erskine Fellow, Harvard University

As a class, the most serious cases receive the most inefficient treatment. The traffic bureau with system of automatic fines proves its worth. ::

THE enforcement of street traffic law has been recognized as peculiarly different from other criminal law enforcement. In the violation of a large majority of street traffic regulations there is no moral turpitude involved and most authorities would take the violation of minor street traffic regulations out of the class of crimes. The Massachusetts Judicial Council suggests that these offenses shall no longer be crimes, but simply the subject of civil penalties, collectible by the clerk of the court. The Enforcement Committee of the National Conference on Street Traffic and Highway Safety, appointed by the secretary of commerce, said in its report of February 1, 1926, "While persistent and flagrant traffic violations should be vigorously punished, the ultimate objective should be elimination of violations . . . Traffic violation bureaus, with a schedule of penalties, can quickly and effectively dispose of minor infractions, which constitute a large percentage of all violations, thus giving the courts more time to deal with the more serious cases." The Enforcement Committee also recommended special traffic courts for the largest cities. It said, "Uniformity will be promoted if the traffic

cases are handled by the smallest number of judges able to handle them."

With the complete reports of the above bodies in mind the author has been conducting studies of the methods used in various cities for handling street traffic violations. These studies are being conducted under the supervision of Dr. Miller McClintock, director of the Albert Russel Erskine Bureau of Street Traffic Research, Harvard University. The following is a condensation of the study made in Chicago in the summer of 1926.

PRESENT PROCEDURE IN CHICAGO TRAFFIC CASES

The traffic case begins with the arrest. The cases are of two kinds: those of a serious nature, such as driving while intoxicated, speeding or reckless driving; and minor violations, as listed on the back of the arrest ticket, including parking, lights, left turn, driving over curb, open muffler, and more than one hundred and fifty others of a similar nature.

In case of minor offenses the officer makes the arrest, serves a ticket known as the *violation notification*, and then releases the violator. The offender may then go to the traffic bureau and pay his fine as designated on the back of the ticket, or appear before the automobile court for trial. In minor infractions the officer does not make sure of the identification of the violator as carefully as he does in the serious cases. Consequently the violators often give fictitious names and addresses. This is discovered when the party fails to appear in court, and a warrant has been issued against them, but has not been served because of faulty identification.

The arrest for serious violations differs in that the offender must be able properly to identify himself, or go to the police station of the arresting officer and give bail. If the identification is satisfactory to the officer, the offender is given a summons which he must sign agreeing to appear for trial upon a designated day in the district police court in the territory in which the offense was committed. Persons arrested by the West Chicago Park police are cited to appear at the weekly meeting of the West Chicago Park Safety Commission.[1]

Traffic cases are handled by the municipal court in its various branches, with the exceptions noted above. These branches are: the automobile court, the traffic bureau, and the district police courts.

THE AUTOMOBILE COURT

The automobile court was organized in June, 1912. It was first known as the "speeder's branch," but a year later its jurisdiction was extended to include all street traffic violations. Even at that early date, the automobile problem was becoming a pressing one in the field of court activities. Persons arrested for traffic violations were required to come into court and wait for hours with all kinds of criminals until their cases were called. It was apparent that the street traffic violations were of a special character, and that some segregation should be made of these cases. Previous to the establishment of the "speeder's branch" "all violations of speed laws and other traffic laws were tried in the branch courts in the districts in which the offenses were severally committed. It was necessary to bring about a uniformity in fines and penalties in the several sections of the city. Further, by segregating these cases in one court it was possible to keep tab on the frequent and reckless offenders." Un-

[1] Lincoln Park put into effect a system similar to that of the West Chicago Park, late in the summer of 1926.

fortunately the original segregation of speeding cases has been abolished, the speeders now being tried in the police district courts throughout the city. There is no attempt to keep a record of the repeaters, and no uniformity in sentence.

The automobile court, having been given jurisdiction over all traffic violations, continued to dispose of those cases until the docket became too large for one court to handle. When that came about the serious cases were again sent to the district police courts, the automobile court retaining only cases of a minor character. The automobile court continued to handle all the minor violations for the entire city until its docket became too crowded. The establishment of two and three automobile courts was tried, but the court considered it a waste of judicial time. The traffic bureau was then organized.

The automobile court has continued to the present day. However, the court today only handles the minor violations that refuse to pay at the traffic bureau, and the very few serious cases that arise in the central business district. It is deplorable that there is no attempt to handle the serious violations in any methodical manner, and that no record is kept of repeaters.

Having surveyed the class of cases the automobile court has handled, attention is called to the manner of their disposal, as shown by the following figures. During the period 1920 to 1926 the court disposed of 321,546 cases; of this number 117,052 were punished, leaving 204,494, or 64 per cent, who escaped punishment. The average fine given to the 36 per cent who were punished was $6.88. Looking further into the record of this period it is found that 74,889 cases were discharged for want of prosecution. The best year of the court as regards the proportion punished was in 1921, when 45 per cent were punished. The poorest year was 1925, when only 21 per cent of the total cases disposed of were punished.

The assignment to the automobile court does not seem to be a popular one. As many as twelve judges have presided over the court in one year, and in only one year has there been less than six. The constant change in the personnel of the court has discouraged any attempt to maintain a consistent policy of street traffic law enforcement.

THE TRAFFIC BUREAU

With the increase in the number of violations a more flexible court system became necessary and the model for such a reorganization was found in the traffic violations bureau of Detroit. The chief difference lies in the fact that in Detroit the bureau is operated as a branch of the police department, while in Chicago it is a branch of the municipal court. The Chicago traffic bureau established by the municipal court began operations on the 17th of March, 1926. For minor offenses within the jurisdiction of the bureau the court established a list of set fines. The bureau has rendered a substantial service by relieving the congestion of the courts, and by saving the time both of violators and police officers.

When a violation occurs the police officer gives the violator a ticket which informs him of the law or ordinance violated, and directs him to report to the traffic bureau within thirty-six hours to answer to charge alleged. On the back of this ticket is printed a list of laws and ordinances pertaining to motor vehicle violations by reference, to which the violator may ascertain the penalty attached. If the violator prefers to settle at the clerk's counter instead of going to court, he signs his

ticket, thereby waiving trial, and admitting the violation charged. He pays an amount according to a prescribed schedule of penalties classified according to the importance of the offense. A visible index enables the operator to ascertain within a few seconds whether it is the violator's first offense. Upon payment the offender is given a receipt, and his name, address, license number, and type of offense are immediately typed on an index card and placed in the visible index. The violator is not obliged to answer in person for his violation, he may sign his ticket and send the prescribed amount in currency to the traffic bureau by messenger.

The following data show the work of the bureau. The period taken is from March 17 to August 1, 1926. During that period 33,320 violators came before the bureau and voluntarily paid $69,353.00 in fines and admitted their guilt. Within the same period 4,736 cases were tried in the automobile court, and 1,056 were fined. This shows that of the cases going before the court 79 per cent were discharged. In the automobile court the average fine was $5.36, in the bureau $2.08.

The record of the traffic bureau indicates a willingness on the part of the violator to come in and pay his fine. To insure the continued success of the bureau there must be full coöperation on the part of the judge in the automobile court. Laxity on the part of the court will encourage violators to demand a trial hoping they may talk the judge out of the fine. With 79 per cent of the cases now being discharged (during period in preceding paragraph), and only a fine of $5.36 being given, there is ground for this hope.

The following table indicates the comparative effectiveness of the bureau in measuring discipline to a large number of offenders:

NUMBER FINED IN TRAFFIC BUREAU AND AUTOMOBILE COURT

Four months under new system. Voluntarily paying fine and admitting guilt	Number punished in other years, after trial					
	1920	1921	1922	1923	1924	1925
33,320	10,694	25,108	20,156	34,381	13,381	12,983

THE DISTRICT POLICE COURTS

The district police courts handle the serious traffic violations. These are disposed of with the other criminal cases, although certain days of the week are set aside more particularly for street traffic violations. There is no attempt at uniform policy, or the maintenance of violators' records. There is an excellent chance for politics to enter and attempt to influence the disposal of cases. *The most serious cases in the city are dealt with in the least organized manner.*

The district police courts handle a little over 30 per cent of the street traffic violations, and all these violations are classified as being of a serious nature. At the same time their convictions only total about 13 per cent of the total number of convictions. The next tabulation indicates the nature of the disposal of these serious violations.

The following table shows that 75 per cent of the cases coming before the district police courts were discharged in one way or another, that is, escaped

DISPOSITION OF CASES IN DISTRICT POLICE COURTS, JANUARY TO JUNE, INCLUSIVE, 1926

	Cases disposed of	Discharged	Fined	Jailed	Probation	Non-suit or nolled	Discharged, want of prosecution
Ordinance	15,396	9,973	3,328	136	14	319	1,626
Statutory	17,492	11,212	4,417	157	119	90	1,497
Total	32,888	21,185	7,745	293	133	409	3,123
Per cent of total cases disposed of	100%	65%	24%	.7%	.3%	1.2%	8.8%

punishment. The table would further indicate that the cases were not adequately prosecuted. The small percentage of punishment may be laid to the leniency of the courts, failure of police officers to produce the evidence necessary to convict, or refusal by one prosecution to follow up the cases.

THE PARK COMMISSION

We find still another agency handling street traffic violations, that is, the safety commission of the West Chicago Park. (The Lincoln Park Board has recently adopted a similar plan.) The West Chicago Park Safety Commission was adopted in July, 1924, because it was felt that the city of Chicago was doing little to educate the violators. The West Chicago park commissioners having the power to deal with these violations set up this safety commission composed of citizens of the park district to seek the coöperation of the motor vehicle drivers in making the streets of that district safer for all persons.

The safety commission is not a court and no punishment is given. If a violator fails to answer the citation to appear before the commission, he is arrested and sent to one of the city district police courts for trial. The members of the safety commission explain to the offenders the character of the ordinances and seek their assistance in making the streets safer. The keynote of its work is education and coöperation.

Examination of the accident and death records on the streets of Chicago show a decided decrease in the West Chicago Park District. The commission feels that its work is to a great extent responsible for this condition. They do obtain a great deal of coöperation from the police of their district, which undoubtedly aids in building their fine record.

COMPULSORY AUTOMOBILE INSURANCE

COMPENSATION, NOT LIABILITY INSURANCE NEEDED

BY ROBERT S. MARX

Attorney at Law, Chicago

Compel every automobile owner to procure a compensation insurance policy as a condition to obtaining a driver's license, victims of accidents to be compensated from the insurance fund according to fixed schedules and without regard to fault. :: :: :: :: :: :: ::

DURING the war it was part of my duty at the front to prepare a daily casualty report of the number of wounded and killed. At first this was a heartrending task, but it soon became a matter of routine statistics and we ceased to think of the individual tragedies involved. In a similar manner the American public have come to regard the daily casualty reports of those killed or wounded by automobiles as "mere statistics," and seem indifferent to the suffering and destitution which these accidents involve.

The total number of Americans killed and wounded in the World War was about 242,000. The total number of Americans killed and wounded by automobiles in 1923 was 500,000. The total number in 1924 was 630,000. Of this number more than 26,000 were killed and 15 per cent were children. In the last two years more than a *million* fellow Americans—men, women and children—*were killed or disabled by automobiles.* This year the number of fatal and serious injuries will exceed last year's terrible toll and the total tends to increase with the everincreasing number of motor vehicles upon the streets.

In some of these cases the injured are to blame; in some the automobilist; in others, both are to blame in varying degrees. In many cases it is impossible to place the blame, and frequently there is no negligence in a legal sense, but injury or death occurs by reason of weather conditions, latent defects or the inevitable risks of traffic. But from the social side, all of these cases mean that the burden of death or injury must be borne by the crippled or the dependent victims of the accident for whom the law at present offers little or no relief.

It will not do to say that this is an individual problem with which the state has no concern. The menace to the life and health of the inhabitants of the state is so great that it endangers every person who is compelled to use the public highways and justifies the state in taking action to protect the life and well-being of its citizens. The wholesale slaughter of our fellow citizens by automobiles must be stopped and means must be found to compensate the victims of these accidents. The situation is so serious and the peril so great that compulsory and fundamental measures are required *which will apply to every automobile owner and operator and which will protect and compensate every victim.*

Strict enforcement of the criminal law and more drastic safety measures will help reduce accidents, but regardless of the thoroughness of such measures, a tremendous number of accidents are certain to occur. My purpose is to plead the case of those who are

certain to be injured and killed in the years to come as the result of automobile accidents and to urge measures for their protection and compensation.

We lawyers have a special and vital interest in the problem of automobile accident prevention and compensation. Three fourths of all civil jury trials are concerned with personal injury claims largely arising from automobile accidents. The major portion of the time of all civil courts in the trial divisions is consumed in the trial and disposition of these cases which also take the time of appellate courts to a greater extent than we realize. In Illinois it has been said that the expense of these trials last year exceeded the total amount of the verdicts returned and collected. Whether this is true or not, the fact remains that these cases are an enormous source of expense to the taxpayer and to the litigants and present a problem of grave concern.

PERSONAL INJURY SUIT NO REMEDY

The personal injury suit is futile as a means of doing justice. Yet a personal injury suit is the only remedy now available to the injured victim of an automobile accident or to his dependent family in case of death. For practical purposes the personal injury suit in automobile accident cases is frequently entirely worthless and at best it is slow, uncertain, wasteful and unsatisfactory. It is a survival under modern conditions of a legal system which has outlived its usefulness and its retention is working irreparable injustice.

The personal injury suit is no remedy at all if injury is inflicted by any one of the large number of motor vehicles employed by the United States, the state, county or municipality in the performance of governmental work. It is no remedy in the all too frequent case where the automobile disappears in the distance without identification, leaving behind a helpless victim. It is no remedy in the multitude of cases where the automobile is driven by a member of the family or an agent outside the owner's business.

But the most serious and frequent case, illustrating the futility of the personal injury suit, is where the automobile owner has neither insurance or property subject to execution.

Eighty per cent of all automobiles are sold on time. In these cases, the owners frequently own but a scant equity in a mortgaged car. Financial responsibility does not deter them from driving with reckless abandon. They care nothing because they own nothing. They laugh at the law and at the victims of their carelessness, who have no redress or relief. In this connection it may startle you to know that only *16* to *20 per cent* of all automobiles in operation are covered by liability insurance and *the remaining 80 to 84 per cent are not.* It may be assumed that the prudent and solvent owners carry insurance to protect them in case of accident and the careless and insolvent owners are included among those who do not. *Thus society has the least protection from the class of automobilists against whom it needs the most protection.*

However, even in the case of an identified, solvent defendant, subject to suit, the plaintiff has many obstacles to overcome. First, there is a long period of delay—although money is most needed immediately after an accident to pay hospital and doctors' bills and to pay for food and rent during the disability of the wage earner. The average delay between the filing of suit and final judgment in personal injury cases is often two and a half years. Then the burden of proof is upon the injured plaintiff, who may have been knocked unconscious or killed. This burden remains with the plaintiff al-

though the uninjured automobilist usually has better facilities for sustaining the burden and frequently begins to prepare his defense while first aid is being administered to his victim. Not only must the injured plaintiff prove the negligence of the defendant by a "*preponderance* of the evidence" but if he was guilty of the *slightest* degree of contributory negligence, he is completely barred from recovery. Under this doctrine, if the defendant was *99 per cent* to blame for an accident and the plaintiff but *1 per cent* to blame, the plaintiff cannot recover a penny.

The very test of fault or negligence which is the basis of liability under our present system of law is itself faulty and impracticable in automobile accident cases. Sixty-five per cent of all automobile accidents occur at or near crossings. When two automobiles moving in opposite directions at from 25 to 40 miles per hour collide, the entire accident occurs in a split second. Except in glaring cases it is impossible even approximately to ascertain who was to blame. The result of a jury trial in the ordinary automobile accident case is a pure gamble both as to liability and damages. The verdict depends upon who secured the best or the most witnesses, who has the best lawyer, the personal prejudices of the jurors, the so-called "breaks of the trial" and the intangible "human element," and not upon a scientific ascertainment of who was negligent.

The same element of lottery applies to the amount of damages. There is no rule for the uniform assessment of damages except the whim or caprice of the jury. The result is that some verdicts are too high and some too low, but both the excessive and the inadequate verdict are alike counts in the indictment against the system. Nor are the damages awarded a *net* sum to the plaintiff. Although the law forbids the jury from considering the attorney's fee in determining the damages, from 25 to 50 per cent of the amount recovered must be paid to the lawyer of the successful plaintiff.

In brief, the law today is that the injured victim can recover damages provided he can (1) identify the automobile which injured him; (2) prove that the owner was subject to suit and that the driver was an authorized agent; (3) establish the negligence of the driver; (4) show freedom from the slightest degree of contributory negligence; (5) outlive a delay of about two and half years; and provided that (6) the defendant is good upon execution and (7) "*error*" does not intervene.

ANALOGY OF WORKMEN'S COMPENSATION

It must be admitted by every honest student of the question that the personal injury suit is neither an adequate or efficient remedy when all conditions to recovery concur and that in the countless cases where the automobile owner is "execution proof" it is a mere form without substance. A similar situation with respect to workmen who were injured and killed in their employment led us to abolish the personal injury suit as applied to such accidents and to adopt workmen's compensation. The difficulties in the path of the automobile victim are greater than they were in the case of the injured employee who was at least sure of a solvent defendant and friendly witnesses while the automobile victim is sure of neither.

There is no sound reason why the principles of compulsory compensation insurance which have been so successfully applied with respect to industrial accidents cannot be applied with equal success to cases of injury and death arising from automobile accidents. Tersely put, my proposal is to compel

every automobile owner to procure a policy of compensation insurance as a condition precedent to obtaining a license to drive an automobile upon the public streets and to pay a premium for such policy to an insurance fund to be used to compensate the victims of accidents arising from the operation of automobiles according to fixed schedules and without regard to fault.

For example, there are upwards of 1,400,000 licensed automobiles in Ohio. If every owner were required to pay a premium of fifteen dollars per car upon application for his license, an insurance fund of $21,000,000 would be created. Upon the basis of last year's figures, this amount would be sufficient to pay $6,500 to the dependents of every person killed by automobiles and to pay $4 per day during disability to every adult injured by automobiles and $2 per day during disability to every injured child, and to furnish hospital care and medical attention in all cases and still leave an ample reserve.

Twenty-one million dollars is more than the total sum collected from Ohio employers for workmen's compensation in 1924. The amount of this fund was $13,500,000, and from this fund, the industrial commission paid 933 death claims; allowed compensation in 58,354 cases and provided hospital and medical care in 122,323 additional cases.

When workmen's compensation was first proposed it met the determined opposition of selfish interests, but in the past fifteen years this system has been written into the law of the land, and no one seriously proposes to return to the old system of employer's liability via the personal injury suit. The same opposition and the same arguments which were met and overcome in the fight for workmen's compensation have been revived against the proposal for compulsory automobile insurance, but this opposition is being overwhelmed by the rising tide of public opinion which demands action to stop accidents and to protect the injured and the dependents of the dead.

MASSACHUSETTS LAW—RATES REDUCED

Recent endorsements of compulsory insurance by the public press, by state legislatures and by safety committees are encouraging signs of the times. Legislative commissions are now investigating the subject in several states, and compulsory insurance laws have been proposed in some thirty-odd states. Massachusetts has already adopted a state wide compulsory liability insurance law which has been held constitutional by the supreme court of Massachusetts. (*In re Opinion of the Justices*, 147 N. E. 681, June 9, 1925.) The Massachusetts act requires every automobile owner to satisfy the motor vehicle commission of his financial responsibility by providing either (1) a liability insurance policy; (2) an indemnity bond; or (3) a deposit of cash or collateral in the amount of $5,000 to secure the payment of any judgment which may be recovered on account of personal injury or death on a public way of the state of Massachusetts up to $5,000. The law contains ample provisions for the regulation of maximum rates to prevent unreasonably high rates for insurance, and provides for an appeal by an applicant for insurance whose application is refused or whose policy is cancelled by the insurance company. The law became effective January 1, 1927. The rates established by the commissioner at the outset were from 5 to 20 per cent lower than the voluntary rates which prevailed prior to the effective date of the compulsory law. The operation of the law has resulted in insuring the financial responsibility of all motorists in Massachusetts and in eliminating from the highways of that state uninsurable

or bad risks. It is too early to draw any conclusion from the operation of the law, but there is every reason to believe that it will not only result in a very real reduction in the premium rates, but also in a reduction in the number of accidents arising from the operation of automobiles.

Similar laws have been in force in Denmark and Switzerland for a number of years with marked success. Practically all states have applied the principle of compulsory insurance to motor busses, and in almost all states there are now laws requiring motor busses and taxicabs to carry liability insurance in varying amounts. The constitutionality of these laws has recently been sustained by the Supreme Court of the United States in *Packard* v. *Banton*, 264, U. S. 140 (1924).

The proposed compulsory automobile insurance laws would simply extend the requirements of insurance which are now made of public carriers such as motor busses and taxicabs to private motor vehicles. However, there is wide difference between the *liability* insurance laws, of which the Massachusetts law is the best type, and *compensation* insurance laws, of which the workmen's compensation insurance law and the proposed New York motor vehicle law are the best examples.

BUT LIABILITY INSURANCE IS NOT COMPENSATION

The difference between compensation insurance and liability insurance is fundamental. Liability insurance only operates to guarantee the payment of a judgment, if liability is established as the result of a personal injury suit, up to fixed limits usually not to exceed $5,000 for one death or injury. Liability insurance does not secure compensation to the injured or the dependents of the dead. On the contrary, it frequently makes it more difficult for them to recover compensation by forcing them to engage in an unequal contest with a powerful insurance company. Liability insurance will not materially help the victims of automobile accidents. It will innure largely to the profit of insurance companies and to attorneys specializing in personal injury claims.

Instead of relieving congestion, liability insurance will add to the flood of personal injury cases which now clog the dockets. Liability insurance will perpetuate the evils of the liability system in place of abolishing these evils. It was largely because of the abuses of employer's liability insurance that the present plan of workmen's compensation insurance was adopted.

Although the advantages of a compensation insurance law far outweigh the advantages of a liability insurance law, the liability insurance laws constitute a first step in the direction of compelling financial responsibility and of securing compensation for the victims of automobile accidents. With all of the defects which may be attributed to such laws, they at least cure the evils which result from the driving of automobiles by financially irresponsible and insolvent motorists.

The opposition to compulsory automobile insurance is largely based upon the fear that such laws will lead to state insurance. There is no ground for such fear. The Massachusetts act leaves the writing of the insurance or of the indemnity bond strictly in the hands of private companies. Connecticut also has a compulsory law which requires the motorist to take out insurance after he has had one accident. This also leaves the writing of the insurance in private hands. Our experience with workmen's compensation insurance shows that such insurance can be written exclusively by the state or by the state and private com-

panies in competition or by private companies exclusively. In the majority of states the private company is the principal carrier of the insurance. This is not the time or place to debate the question of who the carrier of such insurance should be. That is a legislative question to be determined after the policy of compelling automobile owners to compensate those who are injured or killed by their machines is agreed upon.

THREEFOLD ADVANTAGES

The advantages of the proposed plan are best observed in its threefold relation to (1) the *victim;* (2) the automobile *owner* and (3) the general *public.*

(1) From the standpoint of the victim compulsory compensation insurance guarantees to every person who is injured and to the dependents of every person who is killed in an automobile accident, immediate hospital and medical care, and compensation commencing after the first seven days of disability based upon carefully worked-out schedules. This sum would be net and without deduction for court costs or attorneys fees. It would be paid without regard to fault in all cases except where injury is self inflicted or arises from wilful violation of law.

(2) From the standpoint of the automobile owner, compensation insurance will provide more complete protection at a lower cost than the present system of liability insurance. The average premium for liability insurance in many states is $34 per car with liability limited to $5,000 in case of one death or injury. The estimated cost of compulsory compensation insurance is about $15 per car. Two-thirds of the premium paid for liability insurance is used to pay commissions, overhead, administration and the expense of fighting law suits, and less than one-third goes to those who are injured by accidents. Under the proposed plan of compensation insurance approximately 90 per cent of the total premium would be used to compensate the injured. In fact, the administrative cost of workmen's compensation insurance in Ohio is less than 5 per cent of the total premium collected.

(3) The benefits to the general public are equally apparent. The expense to the taxpayer in maintaining courts and juries, three-fourths of whose time is spent in hearing personal injury cases, and the economic loss involved in the attendance of witnesses at these trials, which cost approximately $300 per day, would be entirely saved. The burden now borne by public and private charities in furnishing hospital care, medical attention and relief to crippled wage earners and dependent families will be placed where it rightfully belongs, namely, upon the operators of automobiles who cause the damage.

The advantages to society such as enabling children to continue in school instead of being forced into industry when the father is killed in an automobile accident, etc., are too infinite in character to be completely catalogued.

The chief advantage of the proposed plan to the public is that *it will enable society to control accident prevention and to scientifically eradicate the causes of automobile accidents.*

ACCIDENTS WILL BE REDUCED

Under the proposed plan every accident will give rise to a claim for damages and will necessarily be reported upon forms prescribed by law to some central authority. We will then know three things which are now unknown, because comparatively few accidents are reported and these reports are not uniform or made to a central authority.

We will know definitely (1) the *persons* who cause accidents; (2) the *places* where accidents occur and (3) the true *causes* which contribute to accidents. With this information we can eliminate the habitually careless drivers by revoking their licenses and can intelligently correct the bad road conditions where accidents occur and scientifically legislate against the mechanical or other causes of accidents.

Experience with workmen's compensation has proved that insurance of this character is a powerful factor in reducing the number of industrial accidents. The recent amendment of the Ohio constitution requires that a definite percentage of the premiums collected from employers shall be set aside for safety work, and a similar provision with respect to automobile insurance would furnish the working capital necessary for a campaign of education to prevent careless driving.

The chief objection urged by the opponents of compulsory insurance is that it would tend to relieve drivers, owners and pedestrians of responsibility and thereby increase carelessness. This argument is fallacious. Compulsory insurance would not relieve any class of the community of their present responsibility to obey the criminal law. Automobile owners who carry liability insurance are already relieved of civil responsibility by the insurance companies. Automobile owners who do not carry insurance are usually execution proof and have no fear of a law suit. Hence, the proposed plan would not relieve the automobile owner of any civil responsibility which now tends to deter him from negligence, and it is absurd to suggest that a pedestrian would have any greater tendency to stop in front of a moving automobile because of the *partial* compensation provided by law.

If it is not thought desirable to relieve the owner of all responsibility it is a simple matter to provide in any plan of compulsory insurance that the automobile owner shall pay the first one hundred or two hundred dollars of any damage inflicted by his machine. A similar provision is contained in most collision insurance policies. By making the automobile owner a co-insurer and responsible to this extent, any tendency toward carelessness will be curbed.

This emergency demands prompt social and legal action. Compulsory automobile insurance will go far toward stopping the increasing toll of death and injury and will bring compensation into hundreds of homes now rendered desolate and destitute by fatal accident or disabling injury.

THE REGULATION OF INTERSTATE MOTOR TRANSPORTATION

BY C. M. KNEIER
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How far can the states go in the absence of legislation by congress?

With the rapid development of motor bus and motor truck transportation the question of the regulation of such companies when operating across state lines has arisen. The jurisdiction of the Interstate Commerce Commission has not been extended to include such carriers; [1] in the absence of legislation so extending the jurisdiction of the commission are they subject to state regulation?

In the *Minnesota Rate Cases*,[2] Justice Hughes in discussing the relation between the states and the national government in the regulation of interstate commerce, laid down the principle that "as to those subjects which require a general system or uniformity of regulation the power of Congress is exclusive" while in "other matters, admitting of diversity of treatment according to the special requirements of local conditions, the States may act within their respective jurisdictions until Congress sees fit to act." The court pointed out that when congress does act "the exercise of its authority overrides all conflicting state legislation."

In the absence of congressional action, have the courts, and more particularly the Supreme Court of the United States, considered the regulation of motor bus and motor truck companies doing an interstate business to be one of "those subjects which require a general system or uniformity of regulation," or have they considered it to be one of the matters "admitting of diversity of treatment according to the special requirements of local conditions"? Recent decisions of the courts tend to indicate what is to be their attitude on this question.

REQUIREMENT OF A CERTIFICATE OF CONVENIENCE AND NECESSITY

The question of the power of a state to require a certificate of convenience and necessity of a motor truck company doing only an interstate business was presented to the United States District Court for the Eastern District of Michigan in a case before it in 1923.[3] The law in question provided that no person or corporation might engage in the business of transporting persons or property for hire over the public highways of the state over fixed routes until it had obtained a permit from the Michigan public utilities commission, which was to be issued in accordance with public convenience and necessity.[4] The requirement of a certificate of convenience and necessity was held to be a reasonable

[1] The Mid-West Motor Transport Conference at its session at Chicago on May 28, 1925, passed a resolution urging legislation by congress providing for the public regulation of interstate freight and passenger traffic handled by motor vehicles. Various bills were introduced into the Sixty-ninth Congress, first session, but all of them failed of passage. Also see *United States Daily*, June 13, 1927.

[2] 230 U. S. 352 (1913).

[3] *Liberty Highway Company* v. *Michigan Public Utilities Commission*, 294 F. 703 (1923).

[4] *Public Acts of Michigan*, 1923, Act 209.

regulation under the police power, probably incidentally affecting commerce, but not constituting regulation or placing any undue burden thereon.

When this question was brought before the supreme court of Montana in 1924 it held that all reasonable regulations with reference to the matter of "registration, license fees, and the like" were within the power of the state, even though applied to automobiles engaged in interstate traffic as well to those operated exclusively within the state.[1] In this case the court held that the board of railroad commissioners had acted arbitrarily and without sufficient evidence before it to justify its decision in refusing to grant a certificate of convenience and necessity to the carrier involved in the case. But the power to require such a permit of an interstate motor carrier was upheld by the court.

The constitutionality of a law of the state of Washington requiring such certificate for a motor bus company engaged exclusively in interstate commerce was submitted to the United States District Court for the District of Washington in a case before it in 1922.[2] The company, which operated between Seattle and San Francisco, doing no intrastate business, attacked the validity of the law on the grounds that it constituted an unreasonable burden on interstate commerce. The court, after pointing out that the state of Washington was spending millions of dollars on highways, held that while congress has been given the power to regulate interstate commerce, "it has not done anything which takes from the state the control of the highway within its boundaries." The fact that interstate commerce by motor bus may be affected by state legislation does not conflict with the commerce clause of the constitution according to the holding of the court, if such regulation is reasonable and made common to all.

This was a suit in equity, the company seeking to enjoin the enforcement of the act as against itself. The court dismissed the action and suggested that the company comply with such provisions of the act as were "unquestionably within the police power of the state."

The validity of this Washington law was again brought before the United States district court of that state in 1923 in a case where a carrier engaged exclusively in interstate business had sought to comply with the provision of the law requiring a certificate of necessity and permission to operate buses over the public highways of the state but such certificate had been denied by the director of public works, on the grounds that the territory was already adequately served.[3] The court in sustaining the validity of the law held that it was "not designed to regulate interstate commerce," but that its purpose was "of peculiar local concern, that of promoting safety, convenience, welfare, health, and comfort of the public in the use of the highways constructed and maintained at public expense." The use of the highways of the state as a common carrier was held to be not a *right* but a privilege which might be regulated by the state "in the absence of legislation by the Congress."

The case was appealed to the Supreme Court of the United States and thus the constitutionality of state laws requiring a certificate of convenience and necessity of motor transportation companies, engaged exclusively in in-

[1] *Interstate Transit Company* v. *Derr*, 228 Pac. 624 (1924). For the statute involved in this case see *Laws of Montana*, 1923, ch. 154.

[2] *Interstate Motor Transit Co.* v. *Kuykendall*, 284 F. 882 (1922).

[3] *Buck* v. *Kuykendall*, 295 F. 197 (1923).

terstate commerce, was in 1925 presented it for the first time.

The decision of the lower court was reversed, the Supreme Court holding that as applied to one desirous of using the highways exclusively in interstate commerce, the law was a violation of the commerce clause of the constitution.[1] Justice Brandeis, who delivered the opinion of the court, pointed out that appropriate state regulations adopted primarily to promote safety upon the highways and conservation in their use are not obnoxious to the commerce clause, where the indirect burden imposed upon interstate commerce is not unreasonable. The Washington law was held to be of a different character; its primary purpose was "not regulation with a view to safety or to conservation of the highways, but the prohibition of competition. The law was a regulation not of the use of highways, but of interstate commerce. Its effect upon such commerce is not merely to burden but to obstruct it. Such state action is forbidden by the Commerce Clause."

In another decision handed down on the same day (March 2, 1925), in an opinion delivered by Justice Brandeis, the constitutionality of a Maryland statute, which required common carriers of merchandise or freight by motor vehicle to secure a permit from the public service commission before using the public highways of the state, was considered.[2] The commission was charged with the duty to "investigate the expediency of granting said permit" when applied for, and it was authorized to refuse the same when it deemed the granting of such permit "prejudicial to the welfare and convenience of the public." The law was declared to be unconstitutional as applied to one desirous of using the highways of the state as a common carrier in exclusively interstate commerce.

This case differed from that of *Buck* v. *Kuykendall, supra*, in that, (1) the Maryland highways in question had not been constructed or improved with federal aid, and (2) the permit was refused by the commission, not in obedience to a mandatory provision of the state statute, but in the exercise of broad discretion vested in it. The court held that neither of these differences were of any legal significance and that the Maryland statute, as did that of Oregon, invaded a field reserved by the commerce clause for federal regulation.

The supreme court of Ohio in a case decided in December, 1925, considered the power of the public utilities commission of Ohio to grant a certificate of convenience and necessity to an interstate carrier. In this case the power of the commission to refuse such certificate was not considered, but rather its right to grant such permit to an interstate carrier was questioned by an intrastate carrier, over whose route the interstate carrier would operate. The court, after referring to the two decisions of the Supreme Court of the United States discussed above, upheld the constitutionality of the act, on the ground that "motor transportation engaged in interstate commerce is subject to all regulations which do not impose unreasonable burdens upon interstate commerce," and that the permit granted in this case imposed upon the party so certificated "the usual regulations imposed upon all persons and firms engaged in intrastate commerce within the state."

The supreme court of California in a case before it in 1925, after the decisions of the Supreme Court in *Bush* v. *Maloy* and *Buck* v. *Kuykendall, supra*, had been rendered, held the provisions of the Auto Stage and Transportation Act

[1] *Buck* v. *Kuykendall*, 267 U. S. 307 (1925).

[2] *Bush Company* v. *Maloy*, 267 U. S. 307 (1925).

of that state, requiring motor transportation companies to obtain from the railroad commission a certificate of public convenience and necessity before using the highways of the state to be unconstitutional when applied to a carrier engaged solely in interstate commerce, being an invasion of the field reserved to the national government by the commerce clause.[1]

The supreme court of Rhode Island has also followed these decisions of the Supreme Court, and held that a certificate cannot be withheld from a person about to engage in interstate commerce on the ground that the public is being adequately served and that public convenience and necessity do not require the contemplated service, for "a state cannot regulate competition in interstate trade."[2] Referring to the failure of congress to act the court held that "the subject admits of and requires uniform regulation, it is exclusively within the national domain, and nonaction by Congress indicates its will that such commerce shall be free and untrammeled."

STATE MAY MAKE REASONABLE POLICE REGULATIONS APPLICABLE TO INTERSTATE MOTOR CARRIERS

These decisions by the state and federal courts seem to have established the principle that a state may not refuse a certificate of convenience and necessity to a company engaged in interstate commerce; this would be a prohibition of competition, which would not merely burden but obstruct commerce, a thing forbidden by the commerce clause of the constitution. Having granted such certificate to an interstate carrier by motor bus or motor truck the question next arises as to how far the state may go in regulating such carrier before its action will be considered an undue interference with interstate commerce.

The Supreme Court of the United States has pointed out that appropriate state regulations adopted primarily to promote safety upon the highways and conservation in their use are not obnoxious to the commerce clause where the indirect burden imposed upon interstate commerce is not unreasonable.[3] A law authorizing a state public utilities commission to specify the route over which motor vehicles engaged in interstate commerce may operate, the number of passengers it may carry at one time, and the service rendered, if reasonably exercised for public safety and order and the conservation of the highways, without placing unnecessary regulations upon interstate commerce, have been held to be not contrary to the commerce clause of the constitution.[4]

The Supreme Judicial Court of Massachusetts has held that a statute of that state which provided that the operation by a non-resident of a motor vehicle on a public highway in that state was equivalent to an appointment by such non-resident of the registrar, or his successor in office, to be his attorney upon whom might be served all lawful processes in any action against him growing out of an accident or collision while operating in the state, was not contrary to the commerce clause, but that it was a police regulation of reasonable nature.[5]

[1] *People* v. *Yahme*, 235 Pac. 50 (1925).

[2] *Newport Electric Corporation* v. *Oakley*, 129 Atl. 613 (1925).

[3] *Buck* v. *Kuykendall*, 267 U. S. 307 (1925). Also see *People* v. *Yahme*, 235 Pac. (Cal.) 50 (1925).

[4] *Newport Electric Corporation* v. *Oakley*, 129 Atl. (R. I.) 613 (1925).

[5] *Pawlaski* v. *Hess*, 144 N. E. 760 (1924). This provision of the Massachusetts Law was upheld by the Supreme Court of the United States in the Case of *Hess* v. *Pawlaski*, 47 Sup. Ct. Reporter 632 (May 16, 1927).

REGULATION OF MOTOR TRANSPORTATION OVER ROADS BUILT WITH FEDERAL AID

The question has been brought before the courts as to whether a state may impose regulations upon interstate carriers by motor car, when the roads over which such carriers operate have been built with federal aid. The Supreme Court of the United States has held that the same principles hold whether the highway has or has not been constructed with federal aid. The federal aid legislation is of significance only in that it makes clear the purpose of congress that state highways shall be open to interstate commerce.[1]

May the states go so far as to impose a tax upon interstate carriers by motor bus, when such roads have been built with aid from the national government? In considering this question the United States District Court for the Eastern District of Michigan has held that the provision in the Federal Highway Act of 1921 which provides that "all highways constructed or reconstructed under the provisions of this act shall be free from tolls of all kinds" was not intended to deprive the state of its power to enact reasonable regulations in the exercise of its police power.[2]

LICENSE FEES IMPOSED UPON AN INTERSTATE CARRIER

In considering the extent to which a state may go in the exercise of its police power in making regulations for the public safety, the question has arisen as to the power of the states to exact privilege fees from interstate carriers by motor car.

The Supreme Court of the United States in a case before it in 1915 considered the question of the exaction of fees from a private automobile, rather than a common carrier, when passing through a state.[3] The court upheld the constitutionality of a Maryland law requiring the registration and licensing of automobiles, even as applied to non-residents passing through the state. Such state regulations were held to be primarily for the enforcement of good order and the protection of those within its jurisdiction but also for the further evident purpose of securing some compensation for the use of facilities provided at great cost. Requiring the registration of such motor vehicles and the licensing of their drivers and charging reasonable fees therefor, was held to be but an exercise of the police power, and to not constitute a "direct and material" burden on interstate commerce. "The amount of the charges and the method of their collection are primarily for determination by the state itself; and so long as they are reasonable and are fixed according to some uniform, fair, and practical standard they constitute no burden on interstate commerce."

Again in the case of *Kane* v. *New Jersey*,[4] a law of the state of New Jersey requiring non-residents to pay a fee for the operation of motor cars in that state was before the Supreme Court. Both the driver's license fee and the registration fee were graduated varying with the horsepower of the car. The court in considering this statute held that the power of a state to regulate the use of motor vehicles on its highways "extends to non-residents as well as to residents. It includes the right to exact reasonable compensation for special facilities afforded as well as reasonable provisions to ensure safety. And it is properly exercised in imposing a license fee graduated according to the horsepower of the engine."

[1] *Bush Co.* v. *Maloy*, 267 U. S. 317, 324 (1925).

[2] *Liberty Highway Co.* v. *Michigan Public Utilities Commission*, 294 F. 703 (1923).

[3] *Hendrick* v. *Maryland*, 235 U. S. 610 (1915).

[4] 242 U. S. 160 (1916).

The question arose as to whether the courts would extend this principle to interstate common carriers by motor bus and motor truck.

The United States District Court for the Eastern District of Michigan in considering a law of that state which required an interstate carrier by motor car to pay, in addition to the motor vehicle tax required by general law, a privilege fee of one dollar for each one hundred pounds of weight of each motor vehicle held that while a state might not require a license for the privilege of engaging in interstate commerce as such, they might reasonably regulate under their police power the use of their public highways, and to that end require a license and impose a reasonable charge therefor, even if thereby interstate commerce is incidentally affected, provided that such regulation, license, and charge, bear a reasonable relation to the safe and proper maintenance and protection of such highways and do not burden or obstruct interstate commerce.[1] The amount of the privilege tax for the use of the highways need not necessarily be limited, the court held, even as to those engaged in interstate commerce, to the actual cost of such regulation, but may also, as was apparently the case here, include reasonable compensation for the use of the highways and fair provision for anticipated repairs and improvements thereon.[2]

The supreme court of Minnesota has also upheld the constitutionality of a law of that state which required a carrier engaged in interstate commerce by motor truck to register his car in Minnesota and pay a tax thereon. In upholding the validity of the act as applied to interstate commerce the court held the tax to be in the nature of a fee for a privilege conferred.[3]

REQUIREMENT BY A STATE OF LIABILITY INSURANCE OR INDEMNITY BOND OF AN INTERSTATE CARRIER

Provisions of state laws requiring interstate common carriers by motor cars to carry liability insurance or to give an indemnity bond for the payment of all claims resulting from injury to persons or property have been attacked as being in conflict with the commerce clause of the constitution. Some earlier decisions of the courts held the requirement of such insurance or indemnity bond to be a reasonable regulation under the police power and not an undue interference with interstate commerce, even as applied to an interstate carrier.[4] But the more recent decisions of the courts indicate quite clearly that such a requirement, when imposed upon an interstate carrier, will not be upheld, but is considered to be contrary to the commerce clause of the constitution.

The United States District Court for the Eastern District of Michigan in a case before it in 1923 held that provisions of state laws which were confined in their application "to regulation of common carriers in connection with public highways are not a direct burden upon interstate commerce,

[1] *Liberty Highway Co.* v. *Michigan Public Utilities Commission*, 294 Fed. 703 (1923); also see *Interstate Motor Transit Co.* v. *Kuykendall*, 284 F. 882 (1922).

[2] For a similar decision on this point see *Red Ball Transit Co.* v. *Marshall*, 8 F. (2d) 635 (1925).

[3] *State* v. *Oligney*, 202 N. W. 893 (1925). Also see *State* v. *Caplan*, 135 Atl. 705 (1927); *Hanley* v. *Town of Poultney*, 135 Atl. 713 (1927). Relative to the requirement by a city of a license and the imposition of a license fee upon interstate carriers by motor bus, see *International Motor Transit Co.* v. *City of Seattle*, 251 Pac. 120 (1926); *New York Central R. R. Co.* v. *Conlin Bus Lines*, 155 N. E. 601 (1927).

[4] *People* v. *Barbuas*, 230 Ill. App. 560 (1923); *Interstate Transit Co.* v. *Derr*, 228 Pac. (Cal.) 624 (1924).

even though they may incidentally affect interstate commerce, but any provisions which are not so confined constitute an attempt by the state to regulate, and therefore to unduly burden, interstate commerce." The court held provisions of the Michigan law providing for insurance and for indemnity bonds for the protection of persons and property carried, to be a direct burden upon interstate commerce, and for that reason void.

The United States District Court for Ohio has held the provision of the Motor Transportation Law of Ohio, requiring a company to file a satisfactory liability insurance policy or bond before a certificate of convenience and necessity would be granted to be unconstitutional "insofar as it is applicable to interstate traffic." [1]

In the case of *Michigan Public Utilities Commission* v. *Duke*,[2] the Supreme Court of the United States considered the question of the state requirement of an indemnity bond as applied to an interstate private carrier by motor truck and held such a requirement to be contrary to the commerce clause. However, the court emphasized the fact that this was a private rather than a common carrier. In considering the state requirement of an indemnity bond the court said it had "no relation to public safety or order in the use of motor vehicles upon the highways, or to the collection of compensation for the use of the highways. The police power does not extend so far." [3]

REGULATION OF THE INTRASTATE BUSINESS OF AN INTERSTATE CARRIER

The question also arises as to the extent to which a state may regulate the intrastate business of a motor bus company which is also engaged in interstate commerce. A law of the state of Massachusetts provided that no motor vehicle be operated upon any public way for transporting passengers for hire as a business between fixed and regular termini, without first obtaining a license from the city council of a city or the selectmen of a town in which such vehicle is so operated, with a proviso that such license should not be required as to carriage or transportation exclusively interstate. The statute also required a carrier operating a motor vehicle under such license to obtain from the department of public utilities a certificate of convenience and necessity. A company operating between Boston and Providence, but doing an intrastate business between Boston and Worcester, attacked the validity of the statute, contending that in regulating its intrastate business, it affected its interstate business and was consequently contrary to the commerce clause of the constitution. The Supreme Judicial Court of Massachusetts pointed out that the statute required no license or certificate from those engaged exclusively in interstate commerce, but that such persons were expressly exempted.[4] As to the indirect effect of the statute on interstate commerce the court pointed out that, "The state has the power to pass general police regulations, although indirectly interstate commerce may be affected thereby." In considering the argument made that the driver of the bus was engaged in interstate commerce the court held that this had nothing to do with the power of the legislature over local transportation.

[1] *Red Ball Transit Co.* v. *Marshall*, 8 F. (2d) 635 (1925). [2] 266 U. S. 570 (1925).

[3] Cf. *Sprout* v. *City of South Bend* 153 N. E. 504 (1926); *Ibid*, 154 N. E. 369 (1926).

[4] *Barrows* v. *Farnum's Stage Lines*, 150 N. E. 206 (1926); also see *Boston and Maine R. R.* v. *Cate*, 150 N. E. 210 (1926); *Boston and Maine R. R.* v. *Hart*, 150 N. E. 212 (1926).

The validity of this statute was also attacked before the same court by a bus company operating between Manchester, New Hampshire, and Boston, but also doing an intrastate business in Massachusetts. The court held that despite the fact that it was an interstate carrier, so far as it was engaged in the transportation of passengers whose journey began and ended within the state of Massachusetts it was amenable to the statute.[1]

This law was also upheld by the United States District Court for the District of Massachusetts in a case before it in 1926, holding that because a bus company is engaged in interstate commerce, it may not do a purely intrastate business without complying with state statutes.[2]

PRIVATE CARRIERS ENGAGED IN INTERSTATE COMMERCE

The Supreme Court of the United States in the case of *Michigan Public Utilities Commission* v. *Duke*[3] considered the question as to whether a state might impose upon all persons engaged in transportation for hire by motor vehicle over the public highways of the state, the burdens and duties of common carriers, and require them to furnish indemnity bonds to secure the payment of claims resulting from injury to persons and property carried. The court held that when applied to a private carrier without special franchise or power of eminent domain, and engaged exclusively in hauling from a place within the state to a place in another state the goods of particular factories under standing contracts with their owners, such a law violates the commerce clause of the constitution, by taking from the carrier, instruments by means of which he carries on interstate commerce, and by imposing on him unreasonable conditions precedent to his right to carry on interstate commerce. It was pointed out that while a state might prescribe uniform regulations necessary for public safety and order in respect to the operation upon its highways of all motor vehicles, those moving in interstate commerce as well as others, "it has no power to fetter the right to carry on interstate commerce within its borders by the imposition of conditions or regulations which are unnecessary and pass beyond the bounds of what is reasonable and suitable for the proper exercise of its powers in the field that belongs to it."

CONCLUSION

These decisions of the state and federal courts indicate with a fair degree of certainty the extent to which the states may go in the regulation of motor carriers engaged in interstate commerce, in the absence of legislation by Congress on the subject.

It has been definitely established by the decisions of the Supreme Court that a state cannot exclude a carrier engaged in interstate commerce from the use of its highways by refusing to grant it a certificate of convenience and necessity.

In the most recent case on this question before the Supreme Court of the United States, decided on May 31, 1927, the Court did not consider the provision of the Ohio law requiring a certificate of convenience and necessity since the Ohio public utilities commission had recognized that under *Buck* v. *Kuykendall*, 267 U. S. 307, and *Bush* v. *Maloy*, 267 U. S. 317, it had no discretion in the matter where the carrier

[1] *Commonwealth* v. *Potter*, 150 N. E. 213 (1926).

[2] *Holyoke Street Railway Company* v. *Interstate Buses Corporation*, 11 F. (2d) 161 (1926). Affirmed by the Supreme Court of the United States in the Case of *Interstate Buses Corporation* v. *Holyoke Street Railway Company*, 47 Sup. Ct. Reporter 298 (Jan. 3, 1927).

[3] 266 U. S. 570 (1925).

was engaged in interstate commerce, and it was willing to grant the certificate upon application and compliance with the other provisions of the law.[1] To refuse to grant a certificate of convenience and necessity when the company is willing to comply with all of the other provisions of the law is a regulation not of the use of the highways but of interstate commerce, not merely placing a burden upon interstate commerce but obstructing it.

The principle being thus established that a state must admit an interstate carrier to the use of its highways, the question arises as to how far it may go in the regulation of such carrier after it is admitted. It has been established by these decisions that where the interstate carrier also does an intrastate business, the latter is subject to regulation by the state, even though thereby interstate commerce may be indirectly affected. The fact that it is engaged in interstate commerce does not excuse it from complying with state laws relative to its purely intrastate business.

In the case of carriers engaged exclusively in interstate commerce the principle has been established that a state may adopt appropriate regulations to promote safety upon the highways and conservation in their use. Such regulations as the route over which a bus may operate, the number of passengers it may carry at one time, and the service rendered, if reasonably exercised for the public safety and the conservation of the highways, without placing unnecessary regulations upon interstate commerce seem to be not contrary to the commerce clause of the constitution.

In making regulations the state may impose a license or privilege fee for the use of its highways and apply this to interstate carriers. The courts in approving such fees have been quite liberal, holding that the amount of the charges and method of collection, so long as they are reasonable, are primarily for determination by the state itself. In the decision of the Ohio case which was decided by the Supreme Court on May 31, 1927, Justice Brandeis in considering the objection made to the tax in this case that it was "not used for maintenance and repair of the highways; that some of it is used for defraying the expenses of the commission in the administration or enforcement of the act, and some for other purposes," said that, "this, if true, is immaterial," and that since the tax was assessed for a proper purpose and was not objectionable in amount, the use to which the proceeds were put was not a matter which concerned the plaintiffs in the case.

The requirement of liability insurance or indemnity bond for the payment of all claims resulting from injury to persons or property has been held to conflict with the commerce clause. This has been held to be not a regulation in connection with the public highways but rather an attempt by the states to regulate interstate commerce. This question was not considered directly by the Supreme Court in the recent Ohio case, but in referring to the question, the Court indicated that such a requirement would not be sustained.

These principles apply to common carriers in interstate commerce by motor cars; they cannot be made applicable to a private carrier engaged in interstate commerce and hauling the goods of particular factories under standing contracts. A statute declaring all persons engaged in the transportation of persons or property for hire by motor car to be common carriers is unconstitutional; this cannot be done by mere legislative fiat.

[1] *Clark et al.* v. *Ohio Public Utilities Commission*, decided May 31, 1927.

NORTH CAROLINA TO HAVE BETTER COUNTY GOVERNMENT

BY PAUL W. WAGER
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A full explanation of the new county government acts adopted by this progressive state. :: :: :: :: :: :: :: ::

North Carolina has one hundred counties and, in the last five years, they have expended two hundred and forty million dollars. These huge expenditures have been made, for the most part, by untrained officers, without unified fiscal control, and without systematic accounting. In other words, county government in North Carolina, as elsewhere, has rapidly grown into a business of gigantic proportions, yet it has tried to operate with the same machinery and the same organization as was set up in colonial days. Indeed some of our county offices and county government practices originated as far back as the time of William the Conqueror.

In North Carolina the county is the primary unit of local government. The township exists in name—a survival of the Reconstruction Period—but it has no independent functions and there is no township tax. The central governing body in the county is the board of commissioners of three or five members. The register of deeds is *ex officio* clerk to the board. The commissioners meet regularly on the first Monday of each month, and at these meetings they receive delegations, hear reports, make appropriations, let contracts, grant poor relief, audit the claims which have come in during the previous month and attend to various details of administration. Occasionally a committee is appointed to investigate a matter under consideration and report at the next meeting. After adjournment the clerk writes up the minutes of the meeting, issues vouchers for the claims approved by the board, and returns to his registerial duties until the next meeting. Sometimes it is necessary to have a second meeting later in the month.

The most important powers exercised by the county commissioners are their fiscal powers. Within limits set by the constitution and by acts of the legislature they determine what tax shall be levied and what appropriations shall be made. Actually their range of discretion is very much circumscribed. They must support the schools for the constitutional term; they must meet the court expenses; they must provide certain officials and pay their salaries; they must provide for the assessment and collection of taxes; and they must make provision for everything else which the court has held to be a necessary expense of the county. About the only place where they can exercise any discretion is in the matter of building improved roads, and here the demand has been so insistent and universal that nearly every county has been extravagant. There has also been a demand—perhaps commendable—for new courthouses, new jails, new county homes. Hundreds of large modern schoolbuildings have been erected in connection with the consolidation program.

The sudden awakening of a state

which had lain dormant for fifty years naturally caused and probably justified large capital outlays. Many of the counties have bonded themselves to the limit. With the general county expenses irreducible, with school costs steadily mounting, with the clamor for roads unabated, and with an increasing levy necessary to meet interest and installments on the debt the county commissioners have been faced with the responsibility of levying heavier and heavier taxes. The temptation has been to keep the levy down, let a deficit accumulate for two or three years and then fund it with a bond issue. Not a few counties have been guilty of the practice, and perhaps there is not a single county that is not using 1926 taxes to pay 1925 bills.

Political expediency has not been, however, the chief cause of recurring deficits, nor has an avoidable interest charge been the only source of waste. The major delinquencies in county administration have grown out of the absence of responsible executive headship and constant fiscal control in the courthouse. It is obvious that the commissioners, meeting only one or two days a month, and without financial statements before them, have had to act "in the dark." Bookkeeping in the courthouses of North Carolina has been almost exclusively of the cash-book type, and such accounts have, of course, very little control value. So crude has been our county bookkeeping that boards of commissioners when they come into office have oftentimes been unable to ascertain the bonded indebtedness of the county, the amount of outstanding notes, the volume of uncollected taxes, and other essential information. Methods of assessing and collecting taxes and of effecting settlements with tax collectors and treasurers have been equally crude. The writer has in mind one county which, a year or so ago, had failed to make final settlement with three former tax collectors (in North Carolina the sheriff is tax collector) and two ex-treasurers.

Finally, the counties have suffered as a result of a defective auditing system. How can the board of commissioners in an hour or two determine the correctness of 150 or 200 claims presented for supplies or services rendered several weeks before? Obviously it is impossible; the audit is purely perfunctory. Even should an extravagance be discovered, what can be done? The time to exercise control is when the liability is incurred, not when the bill is presented for payment.

It is evident that a system which served fairly well so long as the functions of government were few and the volume of expenditures small is utterly inadequate when expenditures in the average county approximate half a million dollars a year. Yet this is the system which ten years ago was in operation in every county in the state, still prevails in three-fifths of the counties, and would undoubtedly have continued indefinitely in many counties had there not been a vigorous campaign of education culminating last month in the enactment of three laws which set up minimum standards for every county. The forty counties excepted in the previous statement are those which have provided for themselves whole-time clerks, or auditors as they are called. Such officers keep the financial records, verify the claims presented for payment, check-up on the other county officers, and in a multitude of ways render valuable assistance to the board of commissioners. In some counties the auditor acts as purchasing agent and as tax supervisor. In the counties having competent auditors with extensive powers, better government has been

attained, and one of the features of the new system is the requirement that there be such an officer in every county.

THE PRELIMINARY RESEARCH

The first person to penetrate the jungle of county government in North Carolina was Dr. E. C. Branson of the department of Rural Social Economics of the state university. For ten years he has been directing attention to county government and its antiquated and wasteful practices. He has continued year after year to make investigations, assemble every scrap of evidence that got into print, deliver innumerable addresses, and write unceasingly on the need for improved county government. Then three years ago the university received a grant for research purposes from the Laura Spelman Memorial Fund, thus enabling Mr. Branson at last to undertake a program of research that was both intensive and extensive. Three young men were put into the field and up to the present time comprehensive studies have been made in fifty-one counties.

The second veteran explorer in the field of county government is Dr. E. C. Brooks, formerly state superintendent of public instruction and now president of the state agricultural college. While he was state superintendent he became impressed with the lax financial practices which obtained in the counties and he has not ceased through the intervening years to study county government and to urge reform.

The third man who deserves honorable mention is Governor McLean. He has a passion for efficiency in government and a balanced budget. Upon his election to the governorship he succeeded in securing the adoption of the executive budget as a feature of the state government, and at the close of the first fiscal year the state was able to report a surplus for the first time in its history. As soon as he got the state on a sound financial basis he turned his attention to county government.

In September, 1925, he appointed a commission on county government composed of fourteen men and women who were actively interested in the subject. The commission concluded that the following services well performed will insure good business management. When they are poorly performed there is poor business management and a loss of public service as a result:

(1) Maintaining unity in the official family of a county in fiscal management;

(2) Preserving the taxables of a county;

(3) Collecting the revenue fairly and justly;

(4) Safeguarding the revenue through proper accounting;

(5) Safeguarding the expenditures through budget control and a central purchasing agent;

(6) Protecting the physical property of the county, and

(7) Providing properly for the administration of justice.

The acts embodying the above recommendations are very simple. If the reader, after reading this introduction, is expecting something radical he will be disappointed. North Carolina is simply attempting to extend to the counties those same principles of government as are being adopted by states and municipalities. They are not revolutionary principles, but their application in county government will indeed be revolutionary.

AN ACT TO PROVIDE IMPROVED METHODS OF COUNTY GOVERNMENT

This act recognizes two forms of county government, the county commissioners form, which is the existing form, and the manager form.

The present form has already been described, and it has been pointed out that with the assistance of a whole-time clerk very good results may be obtained.

The second plan permits the board of county commissioners to appoint a county manager who shall be the administrative head of the county government, and responsible for the administration of all the departments which the board of county commissioners has the authority to control. He shall be appointed with regard to merit only, and he need not be a resident of the county at the time of his appointment. In lieu of the appointment of a county manager, the board may impose and confer upon the chairman of the board the duties and powers of a manager, and under such circumstances he would become a whole-time officer. Or the board may impose and confer the powers and duties of manager upon any other officer or agent of the county who may be sufficiently qualified to perform such duties, adjusting the compensation accordingly.

According to the act, "it shall be the duty of the county manager: (1) to be the administrative head of the county government for the board of commissioners; (2) to see that all the orders, resolutions, and regulations of the board of commissioners are faithfully executed; (3) to attend all the meetings of the board, and recommend such measures for adoption as he may deem expedient; (4) to make reports to the board from time to time upon the affairs of the county, and to keep the board fully advised as to the financial condition of the county and its future financial needs; (5) to appoint, with the approval of the county commissioners, such subordinate officers, agents, and employees for the general administration of county affairs as the board may consider necessary, except such officers as are required to be elected by popular vote, or whose appointment is otherwise provided by law; (6) to perform such other duties as may be required of him by the board of commissioners."

If the board of county commissioners does not exercise its discretion to appoint or designate a county manager, a petition may be filed with the board, signed by at least 10 per cent of the voters, asking for the adoption of the manager form of county government. Whereupon an election shall be held and, if a majority of the votes cast favor a manager, the board shall proceed to appoint one. Not more than one election may be held within a period of twenty-three months.

Whether the manager form of county government is adopted or the existing form retained, the act makes it the duty of the commissioners to designate some competent person, either a member of the board or some other officer or agent of the county, as purchasing agent. If there is a county manager he would very likely be given that duty. Likewise the board is required to designate some member of the board or some other officer or agent of the county to make a regular inspection of the county property and report the condition of the same to the commissioners.

One county board has already appointed a manager under this act, and there are three counties in which the chairman of the board had been made manager before this act was passed. There are several other counties in

which the chairman of the board devotes half or more of his time to county work. Finally, there are fifteen or twenty counties having auditors with duties approximating those of a county manager. Thus it is seen that it is only a step in these counties to the county manager system, and it is reasonable to believe that county managers, in name and in fact, will multiply in the next few years.

THE COUNTY FISCAL CONTROL ACT

The Fiscal Control Act provides, in the first place, that the board of commissioners in each county shall appoint in April, 1927, and biennially thereafter, "some person of honesty and ability, who is experienced in modern methods of accounting, as county accountant." In counties in which there is an auditor he shall be given the powers and duties of accountant. Or the board may impose the duties upon any county officer, except the tax collector or treasurer.

The duties of the accountant, or the person acting in that capacity, are briefly: (a) act as accountant for the county and its subdivisions in settling with all county officers; (b) keep a record of all receipts, disbursements and contracts; (c) require every officer and department receiving or disbursing public money to keep a detailed record of all financial transactions; (d) examine monthly, or oftener, all books, accounts, receipts, vouchers and other records of all county officers and departments including the county road commission (where it exists) and the county board of education; (e) require regular reports from officers receiving or collecting fees, fines and penalties; (f) file annually a complete statement of the financial condition of the county; (g) advise with other county officers and with state officers as to the best and most convenient method of keeping accounts, so as to bring about as far as possible a simple, accurate and uniform system; (h) perform such other duties having relation to the purposes of this act as may be imposed upon him by the board.

The second main feature of the act is the requirement that every county operate on a budget basis. The fiscal year ends June 30, and on or before June 1 each department head is required to submit a statement of the amounts expended and estimated to be expended for each object in his department in the current fiscal year, and an estimate for the ensuing year. Upon receipt of such statements and estimates the county accountant is to prepare a budget estimate in the aggregate. The act designates nine specific funds which must at all times be kept separate, and between which transfers are illegal. The budget estimate is submitted to the board by the first Monday in July.

Immediately upon the submission of the budget estimate, and at least twenty days before the adoption of the appropriation resolution, the board is required (a) to file the budget estimate in the office of the clerk of the board for public inspection; (b) to furnish a copy of the budget estimate to each newspaper published in the county, and (c) to publish in at least one newspaper a summary of the budget estimate.

Not later than the fourth Monday in July the board is required to adopt and record on its minutes an appropriation resolution, the form of which is to be prescribed by the county accountant. The board is not bound by the budget estimate except in the following particulars: (1) It shall not reduce the appropriation recommended for debt service; (2) it must respect constitutional and statutory requirements and limitations; and (3) it must take care

of all deficits carried over from the preceding year.

Since the budget estimate is prepared before the close of the fiscal year, a supplementary budget must be submitted after July first to adjust the difference between estimated balances and deficits and actual balances and deficits. The appropriation resolution is deemed automatically amended by such supplementary budget. Of course no particular appropriation is affected by this adjustment.

As soon as convenient after the close of each fiscal year the county accountant is required to publish a statement showing in detail the financial condition of the county, and the estimated rate of taxation for the current year.

Not later than Wednesday after the third Monday in August the commissioners are required to make sufficient levy upon the taxable property of the county to meet the budget requirements, that is, after allowing for supplementary revenues.

All claims must hereafter be presented to and approved by the county accountant: Provided, the board may approve a claim disallowed by the county accountant by entering on its minutes the reason therefor. Accounts shall be kept by the county accountant for each object of appropriation, and every warrant or order upon the county treasury must state specifically against which fund the warrant or order is drawn. Such accounts shall show in detail the amount appropriated thereto, the amount drawn thereupon, the unpaid obligations charged against it, and the unencumbered balance to the credit thereof.

It is the purpose of this act to establish a competent accountant in every courthouse, to develop a uniform system of accounting, to guarantee a balanced budget in every county every year, and incidentally to discourage wastefulness and fraud and render to the taxpayers a report which they can understand.

THE COUNTY FINANCE ACT

A companion act to the county fiscal control act is the County Finance Act. This measure is designed to prevent the accumulation of an unwarranted indebtedness and to otherwise safeguard county credit. Three types of borrowing are permitted, namely, (a) notes in anticipation of taxes, (b) notes in anticipation of long-term loans, and (c) serial bonds.

A county may borrow for ordinary expenses in anticipation of taxes up to 80 per cent of the amount of uncollected taxes and other unrealized revenue for the current fiscal year, provided such loan is repaid not later than thirty days after the expiration of such fiscal year. A county may borrow for the purpose of paying the principal or interest of bonds or notes due or to become due within four months, and not otherwise adequately provided for, and such loan shall be payable not later than the end of the next succeeding fiscal year.

A county may borrow money in anticipation of the receipts of the proceeds of the sale of bonds to an amount not exceeding the maximum authorized amount of the bond issue. Such loans shall be paid not later than three years after the time the order authorizing the bonds takes effect. Notes maturing in less than six months may be disposed of by public or private negotiations, after five days of public notice. Notes maturing more than six months from date of issue shall be sold in the same manner as bonds, that is, upon sealed proposals after the sale has been advertised for at least ten days.

All bonds shall mature in annual series, and a tax sufficient to pay the principal and interest of the bonds when due shall be annually levied and

collected. Bonds shall mature within the lifetime of the improvement for which they are issued. The act establishes what shall be considered the maximum life of each type of building and of each type of road which might be constructed. The present floating indebtedness of any county may be funded if such funding bonds are issued before July 1, 1927; otherwise such debts must become an item in next year's budget. All funding bonds must mature within fifteen years, and all refunding bonds within twenty years, the installments beginning within two years.

After the introduction, and at least ten days before the final passage of an order for the issuance of bonds for school purposes, a sworn statement shall be prepared by a person designated for the purpose, showing the existing school debt and what percentage of the assessed valuation it constitutes. The total school debt of any county shall not exceed 5 per cent of the assessed valuation of such county: *Provided, however*, that if the net school debt at the time this act is ratified be in excess of four-fifths of the limitation mentioned above, the net debt may be increased as much as 2 per cent of the assessed valuation: *Provided further*, that if any county shall assume all outstanding indebtedness for school purposes of every subdivision the limit of the net debt of such county for school purposes shall be 8 per cent. For all other than school purposes there is also established a 5 per cent limitation, with the proviso that an existing debt in excess of 4 per cent may be increased as much as 2 per cent. These limitations do not apply when funding or refunding bonds are contemplated, for such bonds do not add to the net debt. They merely substitute one form of obligation for another.

Bonds issued for other than necessary purposes must be submitted to a vote of the people by virtue of a clause to that effect in the constitution. Bonds issued for necessary purposes do not have to be sanctioned by popular vote unless in particular instances the legislature so enacts. Bonds issued for necessary purposes under the provisions of this act must be submitted to the voters only when a petition to that effect, signed by 15 per cent of the voters, is filed within thirty days after the first publication of the order. If a majority of the votes cast in the election are opposed to the bond issue the order must be repealed. No referendum is necessary in order to issue funding or refunding bonds.

The act contains a detailed account of the procedure to be followed in floating bond issues, safeguards against the misappropriation of the proceeds, and many other points which cannot be touched upon here.

COUNTY GOVERNMENT ADVISORY COMMISSION

The first of the three acts described in this paper contained a section which I have reserved for treatment until last because it is really a part of the machinery of enforcement.

There is created a county government advisory commission of five members, appointed by the governor, and "qualified by knowledge and experience to advise and assist the county officials in the proper administration of the county government." At least three of the members of the commission must be county commissioners. The new commission has been appointed and four of the five men selected were members of the earlier commission. Dr. E. C. Brooks is again chairman.

The commission is authorized to appoint a competent person to be known as the executive secretary of

the commission, and he is to be a salaried official devoting his entire time to the work. The members of the commission serve without compensation except their actual expenses.

It is the duty of the executive secretary to act as secretary to the commission; to visit the counties in the state, and to advise and assist the county commissioners and other county officers in providing a competent, economical and efficient administration; to suggest approved methods for levying and collecting taxes and other revenues, and for keeping the accounts of the various officers and departments of the county government; to prepare a manual of forms and recommendations for the guidance of the county officers in making reports and keeping accounts of the receipts and expenditures of the public money; and to perform such other duties as may be required of him by the commission. The commission may employ such assistants to the executive secretary as it may consider necessary.

For the purpose of meeting the expenses of the county advisory commission and the executive secretary and assistants the legislature appropriated $15,000 for the biennium 1927–1929.

The commission has had two meetings, at the last one calling into conference with it several of the county auditors of the state and those who have been engaged in the research. An effort is being made at the outset to devise uniform blanks for the use of the county accountants, with a standard classification of accounts and a common nomenclature. An executive secretary has not yet been appointed.

Some have attacked the establishment of the commission as bureaucratic, but since its aim is to be helpful rather than dictatorial it is probably a desirable, if not a necessary, part of the program.

ARE WE SPENDING TOO MUCH FOR GOVERNMENT?

IV. EXPENDITURES FOR PUBLIC EDUCATION

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The growing cost of public schools has become a subject of general concern throughout the country. This article analyzes the present situation and arrives at some rather definite conclusions. :: :: ::

From east to west and north to south throughout the states, beginning with the first years of the second decade of the twentieth century, there set in a general reaction against the ever-increasing expenditures for public education. The elaborate school buildings, magnificent structures, inside and out were pointed to as material evidences of extravagance. These buildings were truthfully described by one editorial writer of national importance as "Finer than the palaces of the princesses of Europe."

The providing, in school plants, of gymnasiums, auditoriums, music rooms, stages, shops, domestic science rooms, and other quarters for subjects not offered a generation or two earlier was criticized as a foolish waste of the taxpayers' money. Moreover, these newer subjects—domestic science, manual training, art, printing, forge work, agriculture, etc.—most of them demanded by the parents, perhaps it is true encouraged by the teaching fraternity, were found to be expensive and at once were placed on the defensive as of questionable value. All special instructors and supervisors from school nurses, advisors, psychologists, cooking teachers to athletic directors came in for their full share of criticism. All were branded as expensive innovations, which confused the child, supplanted the essential three R's and hastened the ruination of the taxpayers.

It was pointed out that the cost of education per child, when the fathers of our constitution and the builders of our nation were educated, was $3 to $5 per year, while by 1921, it was as high as $100 in several cities.

The high school movement, just getting well under way, was branded as being entirely beyond what the state should offer as free education.

The protests against the increasing expenditures became stronger and stronger. Some educators believed that the whole public school structure was in danger, and the only solution was to amputate the extravagances, real and alleged. Dr. Henry Pritchett, director of the Carnegie Foundation for the Advancement of Teaching, issued a challenge to educational administrators and indicted them on numerous counts. He declared that millions of dollars were wasted annually by the schools on absurd "fads and frills." He showed that education was wasteful by misdirecting its energy. Charge after charge was presented.

Strange as it may seem, and as inexcusable, school administrators could give no satisfactory answers to Dr. Pritchett, nor to any considerable proportion of the thousands of other charges which were brought forth, appearing in almost every community. Most of these charges have not been squarely answered up to the present time.

The general reaction was manifest by cutting educational expenditures, including the salaries of administrators and teachers, in many places. "Back to the three R's" became the slogan and what were called "fads and frills," such as domestic science, physical training, etc., were eliminated from many programs.

LACK OF DEPENDABLE INFORMATION ON SCHOOL COSTS

Educators, who were coming in for attack, denied extravagance, but had no statistics to back up their claims. They could not meet the issue squarely with facts, so they fell back upon an appeal to sentiment, which, by repetition, is becoming all too frequently their main staff. They said that the rights of defenseless children were being attacked, and their just rights to educational opportunity being denied by penurious penny pinchers. Many educators still resort to these tactics when it is pointed out to them, in specific instances, that they can secure the same educational results for a less expenditure of money. Thus by cuttlefish methods, they try to avoid the issue. Some of them go so far as even to justify school extravagances by pointing out that the American is extravagant in his use of tobacco and chewing gum, face powder and lip stick, and spends great sums annually for these—therefore, apparently ex-

travagances in school expenditures are justified, since such expenditures are for better purposes. Had Socrates reasoned so, the charges against him, of corrupting the youth, might well have been considered just. Those of us, who idealize the schools and trust our educators, expect a better leadership and reasoning than is manifest in such arguments. Certainly private extravagance does not justify public extravagance. Some administrators, and it is encouraging that their number has increased, asked for the facts so improvement could be made. The charges have done a great deal of good in stimulating the best of the educators to get more education for the money expended.

On the other hand, those who charged extravagance in school expenditures had little real evidence to substantiate their charges, except in local examples where it is true, too frequently, very damaging cases were presented. No statistics on the costs of education as a whole, however, had been gathered. Even now few of a reliable nature, collected and analyzed from the cost point of view so as to indicate extravagances, if existent, are available. Too much of what has been done has been of a whitewash nature in an attempt to justify the past rather than to aid the future.

THE EDUCATIONAL FINANCE INQUIRY

Just as the storm of reaction against mounting school expenditures was reaching its climax, the Educational Finance Inquiry Commission was organized to inquire into the costs of public education. Dr. George D. Strayer of Teachers' College, Columbia University, was placed at its head. Early in 1921, a large body of workers began their task, which was to find out what public education was costing. Educators admitted that this was the first survey of its kind that had ever been undertaken and that they did not know what education was costing. They had groped and blundered ahead, backed-up and started over, and somehow in the groping ahead had done a great deal. But such a process is expensive and leads to unnecessary expenditures of money and the waste of the time of teachers and pupils.

The Educational Finance Inquiry Commission has done a great work and its volumes on the costs of education for the country as a whole, and those dealing with costs in several representative states should be read and utilized by every educator. Are they read and used by educators and school administrators? In our courses in school administration, in our colleges and training schools, are they used and analyzed as they should be, or are these volumes suffering the usual fate of such inquiries?

The writer has made some inquiry into the fate of these publications. From personal observation, it seems that very few school people know the works exist, fewer have read them, and a very small percentage use them. Checking up the withdrawal dates of these volumes, in libraries of two universities where teachers are trained in California, shows a relatively small use. One volume, "Cost of Education in California," had eight withdrawals in the period from January, 1925, to June, 1927, and one of these by the writer. Three of the studies have to date no withdrawals. There was some use of the books placed on collateral reading reserve, which can only be estimated. The total was very small in comparison with the size of the registration in the educational department.

The conclusion is quickly reached, that these studies are not used as widely as they should be. Further check also shows a great part of the use made is merely to justify past expendi-

tures as a whole, and to urge further expansion without an active determination to eliminate specific extravagances. Frequently, in conversation and in published articles in defending expenditures for education, all charges of extravagances are met by comparing expenditures for education with expenditures for roads, war, crime prevention, etc. An extravagance in the expenditure of public money for one function is not excused by similar extravagances for other functions.

SITUATION IN CALIFORNIA

Let us look directly at the situation of school costs and see what the facts are. The writer will use examples encountered in California, which should be typical and relatively fair to education, since California stands high, if not first, in educational rank in the Union. As a Californian and a product of California's educational system from elementary grades through its State University, the writer is zealous to maintain California's high place in education and anxious to add to the efficiency of public education.

In the first place, accounting for school expenditures both from the cost analysis and administrative control purposes, as generally encountered, is woefully inadequate. Expenditures for the several educational functions are confused. Maintenance and capital outlays are thrown together. Teaching costs for elementary, junior high schools, senior high schools, evening high schools, and junior colleges are hopelessly scrambled. Expensive transportation systems have grown up like Topsy and no one knows just what they cost. Where is there an inventory of supplies on hand and what are the standards of amounts per pupil? Many more examples could be cited and specific cases given. This does not mean that there are no bright spots where adequate accounts are kept—and interesting to note, costs are found to be comparatively low in these cases.

What is the usual reply when you ask a school administrator how much is the per capita cost for teaching, for supplies, or in the secondary school, the per capita subject costs? Usually a general reply is returned which, when analyzed, is an evasion for "I don't know." How can excessive costs be avoided when costs are not known? How can curriculum adjustments be made when the principal does not have data at hand to exercise intelligent control? Again, there are exceptions where cost control data are at hand and are used. The same deficiencies in accounting, mentioned here, have been noted in the recent attempt to establish existing relationships between expenditures where schools in New York and Pennsylvania were used.

The criticism of school accounting does not suggest, as a remedy, an elaborate cost accounting system, but one ample to suit the needs and sufficient to provide administrative control. It is to be hoped that more use will be made of the uniform system of school accounting prepared by the committee representing the United States Bureau of Education, the Department of Superintendence of the National Education Association, the Association of Public School Business Officials, and adopted by the United States Bureau of Education for use in its forms in calling for statistical information from school districts.

The general use of this schedule of accounts would aid greatly research into educational expenditures by allowing convenient comparison of expenditures, and should result in eliminating some excessive costs.

In progressive states like California, requiring so-called scientific requirements for school administrators, the

study of accounting and cost control methods should be a part of the school administrative courses required for an administrator's credential.

Secondly, educators should arrive at standards which determine costs. Educational costs are determined largely by teaching costs and the teacher load regulates this cost. What should be the teacher load? Can a teacher successfully instruct 10, 20, 30, 35, 40, or more, elementary pupils per day? How many should it be? It ranges from one pupil in an exceptional case to 55 or 60 in a county recently studied. What is the norm? Educators should set and adhere to a standard as closely as circumstances will permit. Large savings, totaling several millions of dollars per year, can be realized by solving this question. Many schools are overstaffed now, and teachers frequently underpaid for this reason. In one small county in California over $200,000 annually can be saved if the average teacher load for elementary grades is placed at 35 pupils per class and for high schools at 25 pupils. Small schools should be consolidated where possible. The more than 3,500 school districts, with their separate school boards and plants in California and the 175,000 one-room schools in the United States, are living criticisms of American efficiency and ingenuity. Better schools at a less cost can be secured by consolidation. In one county in California, consolidation would save $17,000 annually in teaching costs; in another, $24,000 could be saved. This can be repeated all over the United States. Certainly, where such possible savings exist, public education is now costing too much.

Besides the saving in teaching costs, a saving on overhead through consolidation results. Another excessive cost which now exists, and which it is hoped, has recently been eliminated by law in California arises through independent district purchasing of school supplies. Prices varying as much as 300 per cent for the same article have been found. In Kern County, California, based on an index number of average prices paid, a 185 per cent difference between the largest school and the 70 smallest schools was found for standard school supplies. Schools are paying too much for supplies and frequently buying too many supplies. Through county centralized purchasing of school supplies, it is calculated that California will save approximately $1,000,000 per year. This does not mean that excessive prices are now being universally paid, for it appears that Los Angeles city district is getting school supplies cheaper than anywhere else in the United States. It does mean that school supplies are costing too much, since they can be bought for less through more efficient organization.

PER CAPITA SCHOOL COSTS

In the same item of school supplies, the great variations found in per capita consumption and qualities used presents another problem of costs. This can be carried on over into school furniture and equipment. Here, the question may be asked if the school has a right to provide luxuries in environment which are so far beyond the average home in the district that, by comparison, nothing but discontent with the home can result. It appears that the creation of discontent with the home in this fashion costs too much.

A fifth point presents itself in the question of what shall be the minimum size of classes in secondary schools. Small classes, just as small schools, are costly for teaching, overhead, plant space occupied, and practically every other item of expense. When are per capita costs too high for a subject to be offered free of cost? In a number of

high schools examined recently, per capita costs per subject per half year for those enrolled ranged from $4 for first year Spanish to $122 for trigonometry. Shop courses showed high per capita costs as follows: manual training, $12.50 to $29; machine shop, $12 to $36.49; automobile mechanics, $13 to $59.52. Costs as calculated for those passed were much higher.

It certainly seems that these high per capita costs are excessive. The administrator will have some difficulty justifying them. The claim made, that certain of these classes were offered because the teacher would have had nothing to do, is the poorest excuse, particularly where such classes are taught by the administrator himself.

Small classes in large secondary schools, where curriculum changes are possible, produce excessive costs which can readily be avoided. Where these conditions exist, and they are not infrequent, education is costing too much.

In small secondary schools per capita costs are inherently high. Such schools should be avoided where possible. Many such cases, where consolidation is possible, exist. In one California county the annual per capita costs for 1925 for the cheapest high school were $144.86, while the most expensive were $563.29. The one with $144.86 per capita is regarded by educators as superior to the other. The county has the best paved roads in the state, famous for good roads. Education in this case at $563.29 per capita is costing too much. This could be and should be avoided. Such examples are only typical, and can be multiplied many times.

SCHOOL PLANT REQUIREMENTS

Small classes require larger plants. Can they justify these additional costs? This brings us to the larger question of the use of the school plants. We have millions of dollars invested in magnificent school plants, and we are increasing the outlay by about $400,000,000 per year. These plants cost the public annually vast sums in interest, depreciation, upkeep, and loss through tax exemption, if measured as industry measures plant costs. Many of these plants are used from only 6 to 8 hours per day for 5 days per week for 9, 9½, or 10 months a year. In days, it ranges from 120 to 200 per year, if calculated on a liberal basis. Clearly, greater use must be made of school plants to justify the ever-increasing investment, and increased costs through natural increase in value of school sites. Fortunately, greater and greater use is being made of school plants as civic centers for adult education, public lectures, summer schools, summer playgrounds, etc. This does not solve the whole problem.

The some 25,000,000 children enrolled in our public schools are housed in 270,000 school buildings. About 250,000 children are housed inadequately and about the same number attend half time. About 1,000,000 children are in overcrowded quarters. About one-half of all the children are in buildings over 25 years old. On the theory of a seat for every child, buildings are needed for approximately 2,500,000 children. This calls for some 65,000 new classrooms at a cost of about $800,000,000 and an annual cost thereafter of $125,000,000 to $150,000,000 for buildings alone. This must all come from the taxpayer on top of what he now pays plus the probable increases for other functions of government.

The old traditional method of meeting this congestion is to build and provide a seat for every child. This is the most expensive way. There are alternative methods, which have been adopted in several communities. One

is to have shorter school courses, cutting the traditional twelve to eleven years. Another way is to adopt the platoon system and practically double the use of the plant. Under this system one-half the pupils use the classrooms, while the others occupy the remaining facilities provided by the school. Experience shows that the capacity of buildings is increased in this way from 30 to 40 per cent.

A typical example of relative costs may be taken from the school building survey of Portland, Oregon, made in 1923 by the United States Bureau of Education. Under the traditional plan of a seat for every child, it was estimated that it would require $23,962,150 to provide school housing up to 1937. Under the work-study-play plan only $14,564,650 was needed. Portland adopted the latter plan. Seventy-nine cities with a total population of 14,000,000 have the plan in operation in one or more schools. There is resistance here and there against the platoon system for crowded schools. The possible savings under the plan commend it. Certainly present building costs are excessive if such savings are possible. In the construction of school buildings vast sums can be saved if we will but apply the rule of constructing buildings adequate for school needs and eliminate the excesses, particularly those added to produce monumental effects or surpass the buildings of a neighboring district. Reference in this respect need only be made to the savings effected by the city of Minneapolis recently in the construction of school buildings. How many taxpayers are struggling now under the burden of a school building tax, and hold a feeling of resentment against the school, when more careful planning could have saved a large percentage of the costs! Educators must know that such mistakes cost the schools too much.

SCHOOLS COST TOO MUCH

In every phase of expenditure for specific functions for education we find room for improvement. The conclusion is soon arrived at, that public education is costing too much, for vast savings can be made by greater efficiency in spending. The technique of teaching has advanced through research far faster than business administration. This may be due to the fact that educators have insisted on administering finances when financial experts should have been employed.

The remaining phase of the question to consider is—have the schools spent too much as measured by increases for educational expenditures? Taking statistics compiled by educators, we find that from 1910 to 1920 the gross costs of education in the United States jumped from $500,000,000 to $1,200,000,000 in round numbers, or an increase of 140 per cent. If this ratio is maintained the cost in 1930 will be $2,760,000,000. In 1913–14 the elementary and secondary schools cost $555,007,000 and in 1923–24 $1,820,743,900. These are gross total expenditure figures and do not include interest on investment, or depreciation costs. If these were adjusted with payments out of bond issues and payments of interest and retirement of bonds, and these adjusted costs were included as well as the tax loss from exempted school property, the costs would be even more startling. Figures for interest on investment, depreciation costs and costs by tax exemption are not included and have never been noted in any analysis of public school costs the writer has encountered. The tax exemption item alone is very large and increasing at a tremendous rate in our cities.

The increase from $500,000,000 to $2,760,000,000 in ten years does not actually represent a true pro rata in-

crease as there was a decrease in the purchasing power of the dollar, but for all purposes where the dollar increases, or measurements, are used the ratios are fair, *i.e.*, in comparing with dollar savings, earnings, assessed valuations, etc. So long as the same measure (the dollar) is used, it is just.

During the same decade, the total government expenditures, federal, state and local jumped from $2,834,436,006 to $10,317,379,557, or an increase of 270 per cent. Several educators have, with considerable satisfaction, pointed out that this shows we spent too little then in our increase for education, and in 1920 should have shown 270 per cent. Such a contention is in error statistically, for to claim the gross percentage for this one function would have increased the total by $600,000,000 and thrown the percentage increase much higher. Moreover, public education is not considered one of the principal functions of the federal government. The strongest advocates of the Reed-Curtis educational bill, urging a federal Department of Education, only asked for a nominal sum for the establishment and maintenance and no other appropriation of federal funds was asked. From the beginning of our history the control of public education has been in the state. "There it should remain," says Dr. John K. Norton, director of research of the National Education Association. It is questionable, therefore, if, in fairness, the cost of federal government should be included. If included, then all costs of education in the army, navy, clerical staff, etc., should be included. This has not been done in the figures used and statistics are not available.

Let us consider the period 1915 to 1925. School costs doubled between 1915 and 1920 and nearly doubled again between 1920 and 1925. This increase is beyond the loss, through depreciation, of the dollar and additional costs through increased school attendance.[1] The danger point has not been reached or approached, but it is time to consider what the increase will be in the next five years. Can this process of doubling the cost of education every five years continue? When will public expenditures begin to limit the scale of living at this rate? What is the school's place in this problem?

METHODS OF DETERMINING SCHOOL COST

A fair way to measure the social costs of education, or any cost, is by seeing what per cent of the social income schools are taking now in comparison with earlier periods.

One educator says that in 1910 we spent 1.6 per cent of our national income for education. In 1920, it was placed at 1.7 per cent, and it is claimed that it is going back to 1.6 per cent.

The National Education Association Bulletin III, No. 3, pp. 78–79, says that tax-supported education in the United States in 1922 cost $1,799,383,894, or 2.77 per cent of our income. These figures appear to be reliable. In the abstract this percentage presents no danger sign; but we have not apparently begun to provide public education, if we read correctly the program which is before us. We are woefully behind in school plants. The junior high school, with its increased expense, is just unfolding. The junior college, with costs above the high school, is springing up all over the land. Adult education, with a multitude of offerings and unlimited expenditure possibilities, is being promoted. The present teacher load in many places shows a sharp decline and teaching costs rising rapidly. Tax-exempt property approximates 20 per cent of all property and is increasing rapidly.

[1] *Research Bulletin*, National Education Association, III, No. 3, p. 77.

Other governmental expenditures are increasing. Government takes approximately one-sixth of our annual income. The agriculturist finds that approximately one-third of his income goes to pay the tax bill. Taxes for schools make up by far the largest part of his tax dollar, frequently taking over 60 per cent. When an analysis is made of specific school expenditures, possibilities for great savings are apparent.

Public education is costing too much —not that it is, as yet, consuming a dangerously large amount of our total income, but it can be secured for less by eliminating waste in money, time and energy. Or, if we put it in another way, more education can be secured for the money expended. If the school program is to advance steadily, the schools must lead in scientific management and welcome improvement in spending. Their thrift should not be reflected solely in the school savings accounts.

The spirit of inquiry into the cost of public services is abroad. Governmental expenditures everywhere are being examined to see if it is possible to wring out some of the waste and secure more for the taxpayers' dollar. This movement is only a parallel to a similar one in business affairs, but somewhat lagging in point of time. Research, which has yielded such large dividends to improve business and industrial efficiency and eliminate waste, is being called in to aid the government. The old sporadic reform movements in government are giving way to a solution of the problems by research. It is quite natural in this movement for increasing governmental efficiency and reducing wastes, that the expenditures for education should be subjected to the same searching inquiry as other public expenditures. The school officials should welcome this inquiry—they should consider it a service and give it the fullest support. School officials, like most other public officers, are too busy with detail work to discover and set up changes in procedure, which will mean greater economy and efficiency. School men should have present wastes brought to light and improvements hunted out and brought to their notice without diverting too great a portion of their own time and energy. Is public education costing too much? No one can answer other than in the affirmative who delves into the actual costs and unearths the possible savings.

Tradition and guesswork are still playing too great a part in educational procedure. The talents of children are too often poorly developed and hence their time wasted by inadequately trained teachers. Few school boards can with accuracy tell how much their schools cost. Few school administrators can tell what their per capita and subject costs come to.

School buildings are all too frequently built according to poorly considered plans. Surveys show excessive hall spaces, inadequate lighting, excessive equipment and fractional use of plants. The yearly bill for school buildings is nearly four hundred million dollars. Much of this money is poorly spent due to ignorance or carelessness. In school districts in adjacent counties in California, school buildings cost in one case $7,500 per classroom unit and over $14,000 in another. In one county, a beautiful grammar school of brick construction of 25 rooms including an auditorium of 200 seats cost $143,000, while it cost $100,000 to add six rooms to a high school in an adjacent county. They can't both be correct in their expenditure of public money.

A report on schoolhouse planning recently published by the National Education Association comes to the conclusion that "the total amount of waste in school building is enormous." If a

saving of but 5 per cent could be made in the cost of school buildings annually, a saving of approximately nineteen million dollars would result. Such a result is not too much to expect.

Adequate research into the field of educational costs would probably yield greater dividends in savings than it has yielded in any field that has come under the spell of its magic touch. The educator should be the first to welcome this research as one of his greatest aids. He should want the facts. He should not stand in the way for the minority has no right, through well organized propaganda, to appeal to the sentiments of the voters "to protect the helpless children," and thus attempt to secure a majority to preserve any wasteful and incompetent parts of the present system of educational expenditures. Education is costing too much, for we can by the elimination of waste secure much more than we are now securing for our vast outlay for education. Research can show the way, but administrators of education must put needed reforms into effect.

RECENT BOOKS REVIEWED

CASES ON PUBLIC UTILITIES. By Young B. Smith and Noel T. Dowling; Including Cases and Readings on Rates, selected and arranged by Robert L. Hale. St. Paul: West Publishing Co., 1926. Pp. 1258.

As the title indicates, this is a book of selected and arranged cases to bring out the fundamental concepts of law relating to public utilities, the historical development of the law, the particular legal duties of the utilities, the public interest, and, especially, the policies and methods of public control.

There are five principal chapters. The first brings out the underlying idea of a utility and presents both the common law and legislative foundation of public control. While the common law cases are interesting from an historical and evolutionary standpoint, present-day regulation rests upon legislation and constitutional law. All regulatory legislation both as to service, rates and other public relations are based upon an inherent public interest in the utilities which justifies the different treatment of these industries as compared with ordinary business, provided that regulation does not invade the private rights of the companies or does not result in confiscation.

The second chapter has to do with general supervision of public utilities. It sets forth cases relating to the organization and dissolution of a utility, brings out the relation of self-service and collateral business, and considers the retraint of competition and labor relations. Chapter three is devoted to service, including, first, cases dealing with the duty to serve, then adequacy of service, equality of service, dependent service, and connecting service. Chapter four takes up the liability of public utilities, covering first liability in general, then liability as insurer, exceptions to liability as insurer, when liability as insurer begins and ends, liability of connecting carriers, and limitation of liability.

Chapter five is concerned with rates. It covers the law, policies and methods of valuation, rate of return and the various steps in rate-making. The material for this chapter was selected, arranged and annotated by Professor Robert L. Hale of Columbia University who has lectured and written extensively on public utility valuation and rate-making both from the standpoint of law and economics. For those interested in the problem of effective and financially sound regulation, this chapter, which covers nine subdivisions and about two hundred and fifty pages, is by far the most important of the book. The selections are exceptionally well made and the arrangement brings out with clearness the problem with which the commissions and courts have been struggling and the difficulties which have made regulation up to date disappointing. Professor Hale has included also a number of articles selected from leading economic and public journals to bring out special points which are important for the student and which are specifically brought out by the particular articles.

Space forbids an extensive survey of the chapter on rates. The cases bring out first the basis of judicial review of rates fixed by the commissions. The right of judicial review rests upon the fact that while rate-making is a legislative function, it must not result in confiscation; the function of the courts is to prevent confiscation. The selections relating to valuation, which up to date has been the *bête noir* of rate-making, are particularly well chosen to present the points of view of the courts and commissions in dealing with valuation and the elements entering into "fair value." The fact appears clear that the courts have never clearly grasped the underlying economic problem. They have not differentiated clearly between ordinary exchange value and the requisites of a reasonable rate base and thus have attempted to apply the ordinary conception of exchange value to rate-making. But since exchange value depends upon the rates charged or the net return earned by a company, the courts clearly get into difficulty if exchange value is to be used also as a measure of rates. The simple economic fact has been hopelessly confused and obscured by the decisions,—that it is impossible to base rates upon exchange value which in turn depends upon the rates to be fixed. Here has been largely the crux of the difficulty which has caused the great confusion and deadlock in rate regulation.

The cases and articles selected also bring out clearly the question of policy whether rates

should be basicly predicated upon reproduction cost or original cost of the properties, whether or not depreciation should be deducted and what provisions should be made for special elements of "value." The remaining selections cover comprehensively the economic aspects and judicial points of view relating to other phases of rate-making, including the determination of a fair rate of return, the details of operating expenses, the apportionment of joint costs, and the fixing of rate schedules.

The book as a whole should serve excellently its purpose as a case book for students of public utility law. It will serve equally well economists, engineers, commissions and all persons interested in the problem of public utility regulation. We take pleasure particularly in recommending it to the courts.

JOHN BAUER.
American Public Utilities Bureau.

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FEDERAL AND STATE SCHOOL ADMINISTRATION. By William A. Cook. New York: Thomas Y. Crowell Co., 1927. Pp. 390.

A timely book on public school administration has been recently written by Professor Cook of the University of Cincinnati. This book is designed as an introductory text for college students by the author, who believes that a course in school administration is essential to the widest viewpoints and the greatest usefulness of all teachers, as well as a general improvement of understanding on the part of citizens. He believes that through this study the leaders of human thought may be made sympathetic with progressive changes.

The text is devoted, almost altogether, to the school systems of the United States. The author frankly recognizes the fact that he is giving more national than local stress. Consistently with the title little attention is paid to the city and township administrations. The promise by the author of another text dealing with local administration makes this emphasis tolerable, however. The text is unique in reversing the general order of treatment with national control placed first and local last.

The student of this text would find a richer understanding of it in case he had taken a general course in sociology or history of education. This is not absolutely necessary, however, as the text is simple enough and well enough organized to carry its own thought. The social emphasis is marked, the school being well related to other social institutions. The thorough historical treatment gives valuable backgrounds and indicates the causal factors at work. At various places remarkably good summaries of legal provisions are given. More might have been made of personal contributions by great leaders of the past in the field of educational administration, as well as the contributions of current leaders.

In no other text has there been such a good exposition of the indirect federal controls involving land grants, agricultural extension, Smith-Hughes bill, bureau of education, department of agriculture, children's bureau, federal board for vocational education and other agencies. The Sterling-Reed bill is outlined in detail as is also the work of the great foundations such as the Rockefeller, Carnegie and Russell Sage. There is a noteworthy lack of treatment of the institutions for teacher training, and trends in adult education might have been more profitably emphasized.

The author generally gives the arguments pro and con on all major issues so that the reader may judge of the relative merits. He is at times somewhat dogmatic, however, and makes sweeping statements which do not indicate an impartial presentation of the various points of view. Such statements are, however, stimulating to the critical reader who will see ways in which the author might, with profit, have guarded his statements. At times he goes into inconsequential details as in dealing with the political trends of the National Education Association.

Among other things the author advocates, in general, a national university, secular education, a department and secretary of education, consolidation of rural schools, the development of larger units in administration, and the equalization of educational opportunity.

The book is well bound, in good clear type. The style is good, with simple, short, and at times forceful sentences. Good references are placed at the end of each chapter. The initials of authors and year of publication, as well as the name of publisher, would have helped those who wish to investigate sources. Some important references are missing such as C. L. Robbins—The School as a Social Institution; J. Paul Monroe—History of Education; S. C. Parker—Textbook in the History of Modern Elementary Education; Edward Eggleston—The Transit of Civilization; J. K. Hart—Democracy in Educa-

tion, and the Educational Finance Inquiry. The questions at the end of the chapters are not merely reviews of the contents of the text, but are real problems pertinent to the subject.

PAUL W. WEST.

New York University.

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TAX EXEMPTION IN STATE OF NEW YORK. A Preliminary Report by the Special Joint Committee on Taxation and Retrenchment, February 15, 1927. Legislative Document, No. 86. Pp. 263.

While this study purports to be only a preliminary study of the problem of tax exemption in the state of New York, it is, nevertheless a timely, comprehensive, and scientific treatment of an intricate and difficult subject.

The findings and conclusions of the committee are interesting and significant. The first conclusion is that a study of the facts reveals that the problem of tax exemption in New York is not so serious as many have supposed. Although the amount of tax-exempt property is 23.8 per cent of all taxable real estate, 76.2 per cent of this is made up of publicly owned property. The ratio of tax-exempt property to taxable property, excluding the temporarily exempt new buildings in New York City, has decreased gradually since 1917. Many towns with large amounts of tax-exempt property have low costs of government and low tax rates, and many towns with a small amount of exempt property have high tax rates and high costs of government. The committee found practically no relation between the amount of tax-exempt property in a given city or town, and the cost of government or the local tax rate. Special studies in twenty-one communities showed that tax exemption does not result in serious injustices to cities, towns, and villages, especially, since there are few classes of exempt property which do not bring a greater benefit to the local community than the burden which they place upon that community for governmental services. The committee, however, is strongly of the opinion that there should be no further extension of real estate exemptions. But if such extensions cannot be prevented, it is urged that any exemption granted be subject to local option and that it be for a limited term of years.

The tax exemption of public securities under the New York state personal income tax law, in the opinion of the committee, serves to defeat the progressive features of that law. Also the theory that interest rates on public bonds are materially lower because of tax exemption, and lower to the extent of the capitalized value of the exemption, the committee believes to be a fallacy when examined over a period of years and in relation to changes in the state and federal tax systems. The committee, therefore, recommends that all future state and local bond issues be made subject to the New York state income tax.

The above summaries are suggestive of the contents of the report. The report does not pretend to suggest a final program of reform nor to outline a future policy. The committee feels that what is particularly needed at the present time is more general public consideration of a future policy, since the state is only beginning to encounter the problems of tax exemption. The reviewer feels that the committee might consider defining more carefully the term "tax exemption." New taxing authorities and jurisdictions and the substitution of other methods of taxation complicate the problem and confuse the public. The elaborate appendices are a valuable feature of the study. The committee had the assistance of the research staff of the New York Bureau of Municipal Research working under the direction of Dr. Luther Gulick.

MARTIN L. FAUST.

✱

REPORT OF THE NATIONAL COMMITTEE ON INHERITANCE TAXATION TO THE NATIONAL CONFERENCE ON ESTATE AND INHERITANCE TAXATION. November, 1926. Pp. 118.

This pamphlet is a reprint of the Report of the National Committee on Inheritance Taxation to the Second National Conference on Estate and Inheritance Taxation held at New Orleans, November, 1925. In this reprint the report of the committee is printed just as it was submitted, but in several places footnotes have been added calling attention to the principal changes which have taken place in the federal law and the laws of the several states since the report was first published. The final drafts of the model succession tax and estate tax laws are also added to the report.

The report sets forth the conclusions of the committee in the form of ten recommendations. The conditions which warrant the conclusions of the committee are set forth in supporting arguments supplementary to each recommendation. The committee urges uniformity, stability, and moderation in inheritance taxation. Four rec-

ommendations deal with federal inheritance taxation. The committee believes that legislation should be enacted repealing the federal-estate tax to take effect six years from the date of the passage of the repealing act; that the rate structure of the present federal-estate tax should be immediately revised downward; that the credit provision of the present law should be extended to allow a credit of all inheritance taxes paid to the several states up to 80 per cent of the federal tax; that the federal gift tax should be abolished. It is a matter of interest and significance that the Federal Revenue Act of 1926 adopted and made effective the last three of the committee's recommendations. The other recommendations urged by the committee are the substitution by the states of estate tax laws for the succession tax laws now generally employed, the abandonment of multiple taxation of the same property by states, the taxation of intangible property only by the state of domicile of the decedent. The states apparently have not been so ready to accept the recommendation of the committee as the federal government. Additional features of the report are the illustrative cases on present inheritance-tax conditions, a bibliography on inheritance taxation for the years 1920–1925, model laws, and statistical tables showing receipts and rates.

The following men constituted the committee: Frederic A. Delano, chairman, William Bailey, William B. Belknap, Stuart W. Cramer, Fred R. Fairchild, Mark Graves, Samuel Lord, Roy C. Osgood, and Carl C. Plehn.

MARTIN L. FAUST.

REPORT OF COMMISSION TO STUDY MUNICIPAL CONSOLIDATION IN COUNTIES OF THE SECOND CLASS IN PENNSYLVANIA TO GOVERNOR FISHER AND THE GENERAL ASSEMBLY. Harrisburg, 1927. Pp. 126.

The city of Pittsburgh has outgrown its boundaries. There are 124 municipalities with varying types of government which comprise the Pittsburgh metropolitan district. In this respect Pittsburgh resembles all other large municipalities, wherein political boundaries have failed to keep pace with population growth and wherein increasing tax rates and increasingly complex, physical problems are becoming more and more numerous.

In 1923 the general assembly of Pennsylvania authorized the appointment of a commission to study municipal conditions in counties of the second class (Pittsburgh and Allegheny County). A small appropriation was made which has only enabled the commission to prepare a constitutional amendment. No scheme for local government in the form of a charter has yet been prepared.

The present report is of unusual interest in value. It is devoted chiefly to a discussion of the several provisions of the proposed constitutional amendment.

The commission has discarded "annexation" or "metropolitan districts" as incapable of adequately solving the problems of the Pittsburgh district. It has recommended a federated form of government, which would embrace the entire county of Allegheny to be known in the future as the city of Pittsburgh. The plan provides for:

1. The creation of a consolidated city and county government to which may be entrusted the powers necessary to deal with all matters in which the metropolitan area as a whole is interested.
2. Adequate guarantees of the continued self-governing status of the existing municipalities, except as they may voluntarily unite with other units.
3. The submission of the whole plan to the double test of a majority vote in the county as a whole and a two-thirds vote in a majority of the one hundred twenty-four municipal units concerned.

The plan represents a new step in municipal government. It would seem to have all the advantages needful in an area such as this. Local autonomy is preserved. Property may be classified as urban, suburban and rural for taxation and special assessment. Special districts may be created under the direction of the governing authority for public works such as sewers or parks, but without necessity of creating special boards or commissions.

It is to be hoped that favorable action will be taken upon the constitutional amendment in this report and that adequate appropriations will be made for the necessary studies precedent to the preparation of a local charter.

In some such plan as this it is believed that many of the problems of the large metropolitan areas will find their most satisfactory solutions.

HARLAND BARTHOLOMEW.

MAKING TRANSPORTATION PAY. New York: Published by American Electric Railway Association, 1927. 244 pages.

The renaissance of the electric railway, not forgetting the inclusion of the motor-bus as a proper aid toward unified or coördinated service, finds a splendid exposition in this work. This publication can rightly be considered to present the cream of present-day practices because it is a digest of the achievements of the competitors for the annual Coffin Medal and $1,000 Award, submitted by them to the 1926 committee of the American Electric Railway Association. As each competitor naturally emphasized what it deemed most praiseworthy, we have a picture of unusual interest to municipal officials and others whose view of transportation matters is from the outside.

Anyone who thinks that the live electric railway is indifferent to public patronage and public opinion will be delightfully disabused on reading the several chapters on coöperation with the community, on improved equipment, on ride-luring fares, on advertising and so on. The modern transportation manager realizes that a formerly monopolistic *industry* must evolve to a competitive *business* or perish.

Nor is all the effort confined to the front window seen by the public. Many money-saving schemes have been devised to reduce the cost of maintenance at the very same time that the reliability of the equipment has been raised to higher standards.

If many electric railway men at first were slow to see the bus as an element in the transportation scheme, the situation is far otherwise today. Hundreds of electric railways are using buses as the need for their special qualities arises. This digest shows what some of the most progressive have done to coördinate the two classes of popular transport. It appears that the car on rails is going to continue to play a big part so long as it maintains its present margin of lower cost and greater capacity over the bus, wherever there is big business to do at other than de luxe fares.

WALTER JACKSON.

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The Report of the Joint Committee on Traffic Control Signal Systems is another result of the country-wide movement for uniform traffic regulations. This committee was appointed by the New York State Conference of Mayors and other Municipal Officials and the Empire State Gas and Electric Association.

Taking into consideration the differing desires of individual communities, the committee merely attempted to standardize the meaning of devices and colors, the location of signals, local regulation governing their use, and methods of installation. Information from manufacturers of traffic control devices and answers to questionnaires sent to members of the conference furnished the basis of the committee's study.

The report contains methods in use by New York cities, a list of suggested standards and a compilation of facts useful in planning local installations.

E. C.

GOVERNMENTAL RESEARCH CONFERENCE NOTES

EDITED BY RUSSELL FORBES

Secretary

Boston Finance Commission.—During June the Commission issued reports on the following subjects:

Method of obtaining water meter readings by the Water Division of the Public Works Department.

Appraisal of the Revere House lot—proposed site for a new fire station.

Communication and loan order for a new fire station in the West End, submitted by the Mayor on June 6.

The wasteful policy of maintaining municipally-owned automobiles.

Unsound financing in repair of streets.

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Buffalo Municipal Research Bureau, Inc.—The Bureau has undertaken as its first work a study of the financial practices and procedures of the city government. The study will cover such subjects as budget making, accounting, purchasing, assessments, borrowing, sinking funds, debt, etc. The Detroit Bureau of Governmental Research is coöperating with the Buffalo Bureau on this study. Mr. John Rae of the Detroit staff spent several weeks during June in Buffalo in connection with the study of sinking funds and city debt. The Commissioner of Finance and Accounts has instructed his department to afford every facility to the Bureau in its work.

✻

California Taxpayers' Association.—The research department has completed during the past month an exhaustive analysis of the expenditures of Kern County, California, for the fiscal year 1925–26. The published report comprises 78 pages. The report is one of the most complete of its kind ever compiled. Much of the material is presented in tables and is graphically represented in charts and diagrams. It has been characterized by some of the outstanding tax experts as "a distinct contribution to the study of taxation." Copies may be secured from the Association, 775 Subway Terminal Building, Los Angeles. Price, $1.00.

Expenditures for San Diego County for the year 1926–27 have been intensively examined. Field workers have been going over the records for the past two months. This report should be completed within the next sixty days. A study has also been undertaken for San Diego city. San Diego city has a very large problem in its municipal waterworks, with one of the most extensive plants in the United States. It likewise has a large problem in the development of its harbor. While there are other pressing needs, the enthusiasm for an airport to be called the "Lindbergh Field" crowds out other issues. The survey will try to determine how the city can have its improvements without an unreasonable tax burden.

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Citizens' Research Institute of Canada.—The Institute has issued a tax conference bulletin report entitled *Go in and Disgorge.* This report explained the various functions and services rendered by the governments of Canada—municipal, provincial and federal. It was issued to give Canadian taxpayers a comprehensive idea of the value of the services they receive from governments.

The Institute has also issued a bulletin report entitled *Lowering Taxation by Increasing Population.* This report points out that the city of the greatest population does not always have the lowest tax rate.

The first portion of the 1927 edition of the *Red Book, Financial Statistics—Canadian Governments,* has been published.

The annual convention of the Canadian Tax Conference is to be held in Toronto on October 13 and 14. The National Tax Association of the United States is this year holding its annual convention in Toronto, and arrangements have been made to hold some joint sessions of the two conventions, thus enabling each country to benefit from the viewpoint and experience of the other.

✻

Taxpayers' Research League of Delaware.—The League is planning to call a conference of representatives of all organizations in the state

interested to any extent in civic affairs,—including chambers of commerce, service clubs, granges, women's clubs, labor unions, and other business, professional, and community associations,—to consider the feasibility of organizing a State Civic Federation to be composed of delegates from these organizations "for the consideration of such conditions as call for citizen-action, for the formulation of measures best adapted to the meeting of such conditions, for the crystallization of public opinion thereon, and for devising and putting into effect plans for the adoption of such measures for the public good as have general citizen-approval." The Taxpayers' Research League has offered to place at the disposal of such a federation its facilities for gathering such information and for studying such civic problems.

At the request of the Delaware Industrial School for Girls, the League is making a study of the budget and accounting procedure of that institution.

The League has received requests from the Wilmington Chamber of Commerce for coöperation in a study of government costs, an analysis of New Castle County real estate assessments, and a study of desirable improvements in the municipal government of Wilmington.

The League has been requested to assist the Delaware League of Women Voters in compiling a digest of the election laws of the state.

✻

Taxpayers' League of St. Louis County, Inc. (Duluth).—A bulletin has been prepared indicating the problem of next year's tax rate, and referring specifically to the extravagances found in St. Louis County.

The civil service classification for the police department, prepared by the League, was approved by the city council. This classification was acted upon in May by the Civil Service Commission. The new system is now in full operation. The League is now drafting a civil service classification for the library service.

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Municipal Reference Bureau, University of Kansas.—The Bureau is engaged in a study of the research work in government being carried on by universities and colleges. This involves a study of the organization and personnel of the university bureaus, amount expended for research, and publications issued.

The Bureau is planning a series of studies on municipal problems in Kansas. The first of this series, "City Government in Kansas," is now in preparation.

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Bureau of Research, Kansas City, Kansas Chamber of Commerce.—Early in July, the Kansas City, Kansas Chamber of Commerce established a bureau of research to study the administration of the government of the city and county. John F. Willmott has been appointed director of the new bureau. Since August, 1925, Mr. Willmott has been assistant secretary of the International City Managers' Association, Lawrence, Kansas, and associate editor of the Association's magazine, *Public Management*. He was formerly a staff member of the San Francisco Bureau of Governmental Research.

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Citizens' Bureau of Milwaukee.—The staff is giving practically its entire time to the problem of the new charter. Some two months ago a Citizens' Charter League was organized and a Charter Committee of eleven members appointed to prepare a modern charter. Although having no formal connection with the Charter Committee, the Bureau each week sends the committee reports covering charter problems. The following reports have been submitted: Weak-Mayor or Decentralized Plan; Strong-Mayor Plan; Commission Plan; City Manager Plan; Proportional Representation, Unequal Representation in Common Council; Data Re Councils in Cities Over 300,000; Historical Background of Milwaukee's Common Council; Fifteen Reports on Munro's Twenty-five Tests of Good City Government Applied to Milwaukee; Ward Misrepresentation in Milwaukee; Milwaukee's Municipal Administrative Tangle; Assembly Districts as Basis of Representation; Aldermen's Thirty-five Proposed Amendments to City Charter; Supreme Court Decisions Re Home Rule, How Detailed Should a City Charter Be?; Pros and Cons of Proportional Representation as a System of Election; Digest of the Model City Charter of the National Municipal League; Outline of Model City Charter. Copies of these reports are available to anyone working on charter problems.

Dr. A. R. Hatton presented the case for the National Municipal League Model Charter before the committee and G. H. Hallett, Jr., explained the proportional representation system

of election. A number of city officials have discussed various problems before the committee. A unique modification of the city manager plan has been urged, namely that the mayor be elected and that he shall appoint the city manager.

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Municipal Reference Bureau, University of Minnesota.—Publications during June were:

The Law of Special Assessments in Minnesota, by Professor Harold F. Kumm, University of Minnesota, in collaboration with Harvey Walker and Joseph R. Pratt.

Tax Rates, Assessed Valuations, and Exempt Property in Minnesota—1927.

Instructions for Municipal Accounting in Local Improvements and Special Assessments, by J. O. Cederberg, Assistant Public Examiner, Commission on Administration and Finance, State of Minnesota.

A Proposed Traffic Ordinance for Municipalities in Minnesota, by the Committee on Safety and Traffic, League of Minnesota Municipalities.

The fourteenth annual convention of the League of Municipalities, held at Minneapolis, June 14, 15, and 16, was attended by approximately 650 municipal and state officers and civic leaders representing 153 municipalities. The first "municipal exposition" held in connection with the convention afforded a view of the many activities of the state, cities, and villages. Thirty-nine municipal exhibits were displayed.

Dr. Lent D. Upson, Director, Bureau of Governmental Research, Detroit, addressed the convention on "The Relation of the State to the Municipalities upon Problems of Municipal Accounts and Budgets." His address is published in the July issue of *Minnesota Municipalities.*

Prof. Morris B. Lambie will be on sabbatical leave during the academic year, 1927–28. For the period of his absence Mr. Harvey Walker, senior staff member, has been appointed Acting Chief, Municipal Reference Bureau, and Acting Secretary, League of Minnesota Municipalities.

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Taxpayers' Association of New Mexico.—During June and July the Taxpayers' Association of New Mexico has helped in the preparation of local budgets for counties, cities, towns, villages, and school districts throughout the state. The director of the Association, acting as a representative of the State Tax Commission, has been present in various counties actively participating in budget preparation.

✻

The Ohio Institute.—A year ago the Ohio Institute was requested by the superintendent of schools of Miami County to direct a study to find out how many children in the county school district were hand-minded rather than book-minded, with the view of providing for them the kind of education best suited to their needs. The bureau of special education of Miami University gave its services for making all mental tests and for determining the educational needs of each child included in the study. The Ohio Institute has now issued a brief report of this study, entitled *Special Education in Miami County, Ohio.*

With a view to finding out what bearing the recent publication of the United States Census Bureau, *Prisoners: 1923*, has on the situation in the state penal institutions, the Ohio Institute is preparing a limited analysis of the statistics. The analysis will cover not only figures given by the Census Bureau but also certain facts about the population of the Ohio penitentiary for the last thirty years.

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Municipal Reference Bureau, University of Oklahoma.—During July, the Bureau prepared a directory of twenty-five hundred officials of about three hundred cities and towns of Oklahoma. A milk ordinance and a model ordinance governing paving were also developed.

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Rochester Bureau of Municipal Research.—Charles B. Raitt of Los Angeles, California, is at present in Rochester, New York, where he is making a recreation survey for the Rochester Bureau of Municipal Research. Work on the survey was begun June 20, and it is expected that six or eight months will be required for its completion.

The Bureau has issued a *Report on a Survey of the Rochester Public Market and Marketing Problem.* The survey was made by George A. West under the direction of Harold W. Baker, Commissioner of Public Works, and with the support and assistance of the Rochester Bureau of Municipal Research.

San Francisco Bureau of Governmental Research.—*San Francisco-San Mateo Survey.* At the request of the San Francisco Chamber of Commerce the Bureau has undertaken a survey of San Francisco and San Mateo counties. The information and results will serve as the basis for recommending consolidation of the two counties. The Chamber of Commerce has agreed to finance the survey. Alfred H. Campion, assisted by two additional staff members, is in charge of the survey.

Garbage Removal and Disposal. At the election on June 14 an initiative measure, proposed by the opposition to the present garbage removal organization and designed to regulate and fix the rates of garbage collection, was approved by a majority of the voters.

The Bureau analyzed this initiative ordinance and urged its rejection. The Bureau has been requested by the Board of Health to coöperate with it in making a study of the whole garbage situation and the schedule of rates.

After approval of the initiative ordinance, the Board of Health issued a statement inviting civic organizations to appoint one representative each on a civic committee to consider all phases of the refuse and collection situation, and to keep in touch with the study to be made by the Bureau.

The Bureau has employed an engineer, H. J. Raab, to carry on the work of this survey now under way.

Improvement and Utility Bonds. An analysis was made of each of the four bond issue proposals voted upon at the June 14 election. These bond issues authorized the purchase of the existing water supply and distributing company at $40,000,000; extension of the existing municipal railway system at a cost of $4,700,000; construction of a War Memorial group of buildings, including an opera house, at the Civic Center-City Hall group of buildings at a cost of $4,000,000; and the construction of an arterial highway and rail outlet known as Bernal Cut through hills in the southern part of the city, at a cost of $1,400,000.

The $4,000,000 bond issue for constructing the War Memorial group of buildings, and the $1,400,000 issue for construction of the arterial highway and rail outlet known as the Bernal Cut were approved by the voters. The two utility bond issues failed to carry.

Salary Standardization. The work classification of all salaries by the Civil Service Commission, recently restarted with the Bureau actively participating, is now well under way. The field work is being handled by two Bureau staff members. Data has been secured from a number of commercial organizations relative to the classifications commonly used for stenographic, clerical, bookkeeping, accounting and similar services. Field work has been completed in fourteen departments.

City Planning. The Bureau has coöperated with a section of the Commonwealth Club, an organization designed to study public questions, in the preparation of a proposed charter amendment to strengthen city planning powers. The proposed charter amendment, if adopted by the Commonwealth Club and the various improvement organizations to which it has been referred, will be placed on the ballot at the election in November, 1928.

Market Street Railway Franchises. Many franchises on the principal lines of the largest street railway company will expire during 1929. The Bureau has begun the compilation of all Market Street franchises to show the location, extent and expiration date of each. This information will be compiled and published in tabular and map form.

Mark H. Gates, Secretary of the Bureau and active with the organization for eleven years, resigned June 1 to enter the commercial field.

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Toledo Commission of Publicity and Efficiency.—A survey of the purchasing division of the city government is the Commission's latest undertaking. This survey is being made to ascertain the need for a central storeroom and to secure data on the prices paid for regular supplies. The investigation will be used as a basis of recommending to the city administration changes, if any, in purchasing procedure.

The Commission has under consideration a statement of conditions relative to the tax rate levied for sinking fund bonds. It is also considering the advisability of recommending changes in special assessment procedure for levying the cost of street paving and repaving.

*

Toronto Bureau of Municipal Research.—Progress is being made on the survey of the Toronto park system. All the parks have been visited in order to make note of the general use to which parks are being put, methods of upkeep, etc.

White Paper No. 114, being the third in the city budget series, has been issued and received considerable notice through the local daily press.

All the reported motor accidents which have taken place in Toronto within the past twelve months are being tabulated by the Bureau, with details as to place, reason for accident, result, etc. It is the intention, if possible, to locate the place of such accidents and to study the subject closely in order to see if changes in method of traffic conditions, location of playgrounds, etc., would be effective in cutting down their number.

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Utah Taxpayers' Association.—The research department of the Utah Taxpayers' Association is analyzing every audit made by the public auditors. This analysis is presented to the taxpayers of each unit concerned. This analysis is being used constructively for the correction of evils and delinquencies discovered by the public auditors.

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Institute for Government Research (Washington, D. C.).—Since the beginning of the year the Institute for Government Research has published in its series, "Studies in Administration," three volumes, *The National Budget System with Suggestions for Its Improvement*, by W. F. Willoughby; *The Legal Status and Functions of the General Accounting Office of the United States Government*, by W. F. Willoughby; and *The Department of Justice*, by Albert Langeluttig. In its series of Service Monographs of the United States Government it has published the following three volumes: *The Panama Canal*, by Darrell H. Smith; *The Bureau of Animal Industry*, by F. W. Powell; and *The Medical Department of the Army*, by James A. Tobey.

Among the more important studies now in progress, most of which will be published during the current year or early in 1928, are:

"The Principles of Public Administration," by W. F. Willoughby.

"Comparative Study of the Administrative Systems of England, France and Germany," by F. F. Blachly and M. E. Oatman-Blachly.

"The Government of the District of Columbia with Suggestions for Its Improvement," by Lawrence Schemckebier.

"The Development of Forest Control in the United States," by Jenks Cameron.

"The Movement of Classification of Public Personnel in the United States," by Lewis Meriam; and

"The National Government in Relation to Industry and Commerce," by F. W. Powell.

Work is also in progress on a number of service monographs of the United States Government. It is hoped that this series will be practically completed by the end of 1928.

NOTES AND EVENTS

I. GOVERNMENT ACTIVITIES AT HOME

EDITED BY A. E. BUCK

Auburn, New York, Votes to Retain City Manager Plan.—The voters of Auburn, New York, a city of about 40,000 population, decided to retain the city manager plan by a majority of 1,038 at a special election held on June 30. It was proposed to substitute for the manager charter a charter providing for the ward aldermanic form of government.

We are informed that the dissatisfaction with the existing government grew out of opposition to the installation of a new assessment system which contemplated the appraisal of real property at full value. The present manager, J. P. Jaeckel, promoted the new assessment system, so the recent election amounted to a "vote of confidence" in his administration.

✤

Mayor Walker Proposes a New Housing Plan.—Mayor Walker of New York City has recently proposed a new housing plan based on the use of the city's power of excess condemnation. Under the constitution and statutes the city government in acquiring land for public purposes may take more than it needs for a specific project. This has been done in acquiring the site of the new court house. The additional land is to be used for other public purposes, one block being turned over to the state government for its new office building. In building the new subway in Eighth Avenue, the board of transportation has condemned lands in excess of its requirements. The privilege was again used in recently taking land for the widening and extension of Sixth Avenue.

Land may be acquired for use under Mayor Walker's new scheme only as an incident to the taking of property for parks or public buildings or the widening of streets. It is now too late for the city to avail itself of this right in connection with street widenings in some of the East Side slum districts, but other such widenings are soon to be made. The proposal is to acquire parallel strips along the old streets wider than required for the new streets and to convert the excess land into sites for model tenements. These sites are to be leased to builders for 99 years at a rental of 4 or 4¼ per cent of the cost to the city, a rate sufficient to pay interest on the bonds which the city may issue and to amortize the land cost during the 99-year period. Mayor Walker believes that if this plan is followed modern tenements can be built which would rent at an average of $8 per room a month. However, it is maintained in some quarters that such a figure is impossible unless the city government is willing to subsidize the housing project to the extent of about $5 a room per month.

✤

Cincinnati Bureau Proposes System for Rating City Employees.—The Cincinnati Bureau of Municipal Research has submitted to the manager and the civil service commission a system for rating city employees. It is claimed that the proposed system is superior to the percentage scheme of grading now in use, where employees are graded on their efficiency every three months by their immediate superiors. The present scheme is said to provide no method for constructive criticism.

The new system would call for a report every six months by the employee's superior on a prepared form. This form would be checked according to four groups of qualities and sent to the civil service commission. The percentage grading would then be computed mechanically. These gradings would be used as a partial basis for promotions or for corrective measures which would be taken by the personnel director.

✤

States May Tax Interstate Motor Traffic.—A recent decision of the United States Supreme Court affirms the right of state governments to impose taxes on interstate motor carriers and to regulate their operation in such a way as to insure safety and conservation of the highways. The case arose in the state of Ohio over the enforcement of the motor transportation act which provides that owners of vehicles carrying passengers must obtain a certificate from the state and pay a tax according to the number and capacity of vehicles used. The firm of Clark & Riggs, doing entirely interstate business between

Cincinnati and Aurora, Indiana, ignored the provisions of the act and brought suit in the local federal court to restrain the Ohio public utilities commission from enforcing it. The case was dismissed by the local court and then appealed to the United States Supreme Court which affirmed the previous decision.

In delivering the opinion of the court, Justice Brandeis said:

> The plaintiffs claim that, as applied to them, the not violates the commerce clause of the federal constitution. They insist that, as they are engaged exclusively in interstate commerce, they are not subject to regulation by the state; that it is without power to require that before using its highways they apply for and obtain a certificate; and that it is also without power to impose, in addition to the annual license fee demanded of all persons using automobiles on the highways, a tax upon them for the maintenance and repair of the highways and for the administration and enforcement of the laws governing the use of the same.
>
> The contrary is settled. The highways are public property. Users of them, although engaged exclusively in interstate commerce, are subject to regulation by the state to ensure safety and convenience and the conservation of the highways. Users of them, although engaged exclusively in interstate commerce, may be required to contribute to their cost and upkeep. Common carriers for hire, who make the highways their place of business, may properly be charged an extra tax for such use.
>
> There is no suggestion that the tax discriminates against interstate commerce. Nor is it suggested that the tax is so large as to obstruct interstate commerce. It is said that all of the tax is not used for maintenance and repair of the highways; that some of it is used for defraying the expenses of the commission in the administration or enforcement of the act; and some for other purposes. This, if true, is immaterial. Since the tax is assessed for a proper purpose and is not objectionable in amount, the use to which the proceeds are put is not a matter which concerns the plaintiffs.

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St. Louis Fights Smoke Nuisance.—St. Louis is preparing for another vigorous campaign this winter against the smoke nuisance in that city. It is estimated that the smoke loss of the city is approximately $15,000,000 a year. Of this total, $3,000,000 is due to imperfect combustion of fuel; the remaining $12,000,000 to property damages resulting in excessive laundry and cleaning bills, deterioration of exterior painting on houses, sheet metal work, the renewal of wall paper, curtains and other house furnishings, loss in merchandise and the extra cost of artificial lighting. It is said to have cost three times as much to redecorate the Statler Hotel in St. Louis, containing 650 rooms, as the Pennsylvania Hotel in New York with 2,200 rooms. It is estimated that the annual soot crop of St. Louis is 47,275 tons, or over a thousand carloads.

Last year eighteen organizations combined in St. Louis to fight the smoke nuisance. Conferences were held and citizens came together to discuss smoke abatement. House to house canvasses were conducted and lists of smoke violaters were filed. Seventy-five per cent of the flues in St. Louis were found inadequate for proper combustion. A school was established to give instructions in the proper method of firing a furnace. Even the school children in the city schools were taught how to keep the fires burning properly at home. After a year's campaign, it has been decided to continue for at least two more years and $250,000 has been provided to carry on this campaign.

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National Recreation Congress.—The Fourteenth Recreational Congress will be held in Memphis, Tennessee, October 3–7 under the auspices of the Playground and Recreation Association of America. An interesting program has been planned. At a general session W. F. Jacoby, director of parks and recreation of Dallas, will speak on methods of arousing public interest in birds, animals and plants of parks. L. H. Weir will report on his two-year study of municipal and county parks and forests. Herbert May of New York, who is completing a study of recreation in France, Germany, England, Denmark, Czechoslovakia and Austria, will summarize his findings for the meeting. C. C. Hieatt of Louisville, Kentucky, president of the National Association of Real Estate Boards, will present the subject of setting aside recreation areas in new subdivisions. Other important topics will be municipal golf, swimming pools, play progress for small children and the kind of recreation needed for girls. Demonstrations of games, dramatics, music and an exhibit of handcrafts used in successful work in many cities, will be featured at the meeting.

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Zoning in New Jersey.—Both the Republican and Democratic organizations of New Jersey have recently endorsed the proposed constitutional amendment permitting zoning. The adoption of the amendment at a special election on September 20 would seem to be assured. However, the friends of zoning in that state are

taking no chances, since the setback received by the movement when the courts threw out the old law. The League of Municipalities, the Federation of Labor, the Association of Real Estate Boards, the Federation of Women's Clubs, and the State Chamber of Commerce have united in the New Jersey Zoning Association to carry out a state-wide campaign in behalf of the movement.

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This Country Has 4,000 Airports.—A report has just been compiled which shows that the United States has at present 4,000 aviation landing fields. Although these fields are distributed among the cities in every state of the Union and the District of Columbia, New York City does not have a municipal airport. Chicago claims fifteen landing fields, seven of which are municipal, six commercial, one an army field and one maintained by the Post Office Department; Los Angeles has eight, one of which is municipal and seven commercial. Municipal landing fields are maintained by Boston, Philadelphia, Pittsburgh, Buffalo, Cleveland, Cincinnati, Peoria and Reno. In fact, 207 cities have municipal fields completed or under construction and 93 more have them under consideration. Many of these fields are already equipped with lights and markers and other devices to make flying safe.

Baltimore, Atlantic City, Bridgeport and Danbury, Connecticut, Kalamazoo, Michigan, Rome, Georgia, Denver, San Francisco, and Prescott, Arizona are a few of the places in which municipal air fields have been proposed. A special committee in New York City has recently made several recommendations for the location of a municipal airport in or near the city. One suggestion, which seems to have considerable support, is for the establishment of an airport on East Island, in Jamaica Bay. The proposed location when developed will have an area of about 1,100 acres. It is claimed that the prevailing winds and lack of fog at this proposed field are such as to make possible safe and regular flying.

If the airports of the country are distributed according to states, California leads with 100 landing fields, Texas is second with 84, and Illinois third with 64. Ohio has 50, Oklahoma 40, Arizona 29, Colorado and Iowa 22 each. New York state has 30.

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Virginia Institute of Public Affairs.—On August 8 the University of Virginia will open for the first time an Institute of Public Affairs. The initial session will extend over two weeks. It is under the direction of Charles G. Maphis, dean of the summer session of the University. Governor Henry F. Byrd and several notable persons from outside the state are scheduled to appear and speak at the Institute. Several round tables will be held devoted to a discussion of the problems of national, state and local governments and also international affairs.

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California Has a New County Budget Law.—The California legislature at its recent session enacted a compulsory budget law for all counties in the state. This law contains provisions which will enable the citizens and taxpayers to be informed on the proposed expenditures and tax rates of each county government before the final budget is adopted. A complete budget must be prepared showing all the income and expenditures for the fiscal year. The head of each department or institution must furnish information as to receipts and the amount necessary to be expended for the next fiscal year. These estimates are brought together by the county auditor, and after tabulation are turned over to the board of supervisors. This board is required to hold hearings on the expenditure proposals so that any taxpayer can appear and be heard. The board of supervisors must prepare the budget in pamphlet form, either printed or mimeographed, and distribute it to newspapers and individuals interested in it. This law was largely sponsored by the California Taxpayers Association.

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Politics Institute at University of Georgia.—The Southern Institute of Politics at the University of Georgia modeled after the Institute of Politics at Williamstown, Massachusetts, was held during the first week of July. Through public lectures and round table conferences the Institute discussed many problems of government and also foreign relations, and was attended by members from all parts of the south. Among those who led the discussion were Professor E. S. Corwin, Princeton University; Professor J. W. Garner, University of Illinois; Professor Robert E. Cushman, Cornell University; and Professor E. C. Branson, University of North Carolina. Several notable speakers addressed the Institute on various subjects. Among these were Josephus Daniels, former Secretary of the Navy; Adamantois Th. Polyzoibes, editor of *Atlantus*, a Greek newspaper published in New York City; and Charles Pergler of Washington, former secretary

to the President of Czechoslovakia and first Czechoslovakian commissioner to the United States.

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Two Counties Added to Civil Service.—Recently Alameda County, California, provided for a civil service commission through the adoption of a new charter. The Michigan state legislature enacted a law which will establish a civil service commission for Wayne County to become operative after April 1, 1928. Before these two counties were added to the list only three other counties had civil service, namely, Cook County, Illinois, Los Angeles County, and Milwaukee County.

II. GOVERNMENT ACTIVITIES ABROAD

EDITED BY W. E. MOSHER

German Training for Administration.—A valuable light upon the training which is considered necessary for an administrator in Germany is found in the announcement of courses given during the current academic year in the Academy of Administration in Berlin. These courses, according to the *Deutsche Juristen-Zeitung*, offer a rich choice to both beginners and advanced students. Their range and scope, as well as the distinguished scholars and public officials who offer them, should be of particular interest to administrators and students of public affairs in the United States, where organized study of public administration is barely beginning to receive serious attention. The lectures and courses are as follows:

Professor Jastrow, Survey Course; Professor Eulenberg, Economic Theory; National Bank Director Motschmann, Present Day Problems of Money and Credit; Professor Wagemann (President of the National Statistical Office), Banking and Exchange; Ministerial Councillor Lucas, Civil Law I, General Principles; Professor Titze, Civil Law II, Liabilities; Professor Kaskel, Exercises in Civil Law; National Attorney Hulsen, Business Law; Privy Councillor Volkmar, Civil Process; Professor Kohlrausch, Criminal Law (general); Ministerial Councillor Kiesow, Criminal Law (special course); Ministerial Director Poetzsch, Public Law; Judge von Dultzig (of the Supreme Administrative Court of Prussia), Administrative Law; Ministerial Councillor Mende, Law of Officers; Privy Referee Legation Councillor Martins, Organization and Duties of the League of Nations; Legation Councillor von Baligand, Administrative Law in Interstate Commerce; Legation Councillor Kraske, State Citizenship; Privy Judicial Councillor Oberneck, Land Registration.—(Contributed by Miriam E. Oatman.)

Regional Town Planning.—A summary statement of the present status of the regional town planning, prepared by an inspector in the Ministry of Health, shows with what rapidity this movement has spread in England and Wales. According to this review there are now forty-two planning committees operating in as many regions. These committees comprise the representatives of six hundred local authorities and deal with an area exceeding 6,000,000 acres of land. A single joint committee has recently been recommended for the London traffic area that comprises 2,000 square miles.

The character of the different regions covered varies greatly. Sometimes it is geographical, approximating a water drainage area. Sometimes it is geological, centering about a coal-producing section of the country. Sometimes it is determined by the sphere of influence of a large city. Again it may be set up with reference to an industrial center, a group of health resorts or a cluster of towns.

For the most part the committees consist of representatives of the units involved, including the county administration in which they are located. Specialists are invited by the committee to make the necessary surveys, prepare maps, plots, diagrams and photographs. Ordinarily a planning expert is then called upon to write the report. In the report a survey is made of the main features of the region concerned and a review of its resources and potentialities submitted.

Most of the committees thus far have only advisory powers. Definite action is taken by the councils constituting the region through individual town-planning schemes that are dovetailed with the general plan. In a few cases the authority to carry out the plan is vested in the joint committee. It has been found advantageous to continue the joint committee under any

circumstances so that it may be possible to coordinate the various schemes, to pool pertinent information as it becomes available, and to maintain the "regional outlook."

A theme that runs through several individual plans reviewed shows what attention is being paid to the development of future expansion with regard to retention of open spaces in the immediate neighborhood of urban areas. This means, in some instances, the plan for satellite towns.—*Municipal Journal*, April 8, 1927.

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Central Supply of Electricity.—The project of organizing the production and distribution of electricity in Scotland has been formulated by a special board of commissioners and has been placed before the public. This scheme covers an area of 5,000 square miles and affects three and one-half million of the total population of five million. The estimated cost is six million pounds. Instead of the present forty-two producers, owning thirty-six generating stations, there will be but ten and, before the end of the ten-year period, only six such stations. Distribution will be through private enterprise at an estimated saving of nearly 900,000 pounds a year. It is further assumed that by 1941 prices will be reduced. The financial statement shows that the cost of the scheme, up to 1933, will not be greater than would be the cost of extending the present enterprises in order to secure the same results. This is reported to be the first of a number of projects which will ultimately cover England and Wales as well. Five separate plans for central electrification under public authority are under way for various parts of England.—*Municipal Journal*, May 13, 1927.

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Public Utility.—A report was recently made to the Borough Council of Stepney with regard to the expansion of its electrical plant. The growth may best be shown by the following figures: In 1901 the capacity was 670 kw.; in 1926 it was 42,000 kw. The total units sold in 1901 were 563,000 and in 1926, 45,037,107. Of these, private lighting consumers used 300,230 units in 1901 and 13,292,485 in 1926. On the cost basis, the total cost per unit sold in 1901 was 3.82 d.; in 1926, 1.194 d. An exhibit of electrical appliances was recently announced for the purpose of encouraging the public to use electricity more frequently, thus benefiting the community at large.

A similar expansion is recorded for the borough of Poplar. Its electricity committee reports that the production has jumped from 250,000 in 1900 to 3,000,000 units per year at the present time.—*Municipal Journal*, May 6, 1927.

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Road Signs in the Country.—The automobile association of England is installing road signs in rural districts as warnings of curves, corners, cross roads and the like. These signs are made of sheet metal, about three feet, six inches high, and are supplied with reflectors of high efficiency, capable of catching the gleams of medium-powered head lights at a distance of 200 yards. They are lightly constructed so that no serious damage would be caused in case cars ran into them. A red and white reflector is found on either side, the red being to the right and the white on the left. The posts are striped in black and white so that they may be seen in the fog or half light.—*Municipal Journal*, May 13, 1927.

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Homecroft.—A national association in England has been organized for the development of what is termed homecroft. Its first experiment consists in the erection of twenty-five houses upon a plot of ten acres. Each cottage is surrounded by a small croft, about two-fifths of an acre in size. It is equipped with shelters for chickens, rabbits, a tool shed and a small stable. The cottage and croft are to be let at sixteen shillings a week. This figure includes provision for a sinking fund whereby the tenant will become the owner after twenty-five years. The definition of the aims of this movement reads as follows: "Homecrofting aims at providing every worker, rural or urban, with a home-in-a-garden. The garden is a spare time food garden. It is scientifically equipped to produce small quantities of, as nearly as possible, all the various things a family needs to eat. Homecrofting attaches a little family-food-factory to every worker's home."—*Municipal Journal*, May 6, 1927.